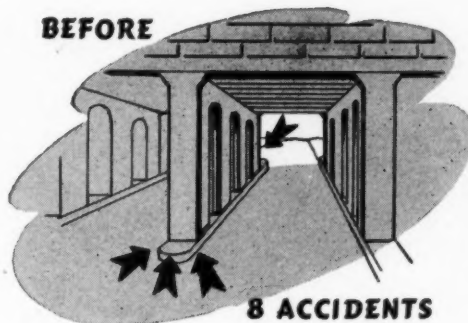


# The NATIONAL UNDERWRITER

[[ MORE THAN INDEMNITY—  
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## Getting Results Through Traffic Engineering



By making a traffic hazard conspicuous, the number of accidents at the Lonya Road Viaduct, Detroit, was minimized. Eight traffic accidents had occurred at this one point within 24 months. Yet for the seven months after corrective measures had been completed, the accident record dropped to zero.

A safety measure that has been successfully applied in one community can often be applied in other communities with similar traffic problems. So the Traffic Division of the National Conservation Bureau brings these practical life-saving

examples to over 1,000 traffic and highway engineers, police chiefs, editors, other individuals, and governmental groups concerned with safer transportation.

Since 1939 the Bureau has issued regularly illustrated case histories on methods which have actually reduced traffic hazards. This monthly publication, "Getting Results Through Traffic Engineering," is an invaluable compendium of modern safety methods. It is one of many evidences of the Casualty Insurance Industry's unrelenting efforts to build a safer America.

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**THURSDAY, JUNE 14, 1945**

## LANDING SHIPS – TANKS – MEN TRAINED TO HANDLE THEM!

American efficiency and engineering skill and ingenuity have accomplished the impossible.

American loyalty and stamina and morale will keep us backing our fighting men to the last shot.



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 Organized 1853

The Girard Fire & Marine Insurance Company  
 Organized 1853

National-Ben Franklin Fire Insurance Company  
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Milwaukee Mechanics' Insurance Company  
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Royal Plate Glass & General Ins. Co. of Canada  
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The Metropolitan Casualty Insurance Co. of N.Y.  
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 New York 7, New York

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 404 West Hastings St., Vancouver, B. C.

Southwestern Dept.  
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HAVE YOU EVER WATCHED a sleek cruiser come gliding in to her mooring and thought—"If I sold Marine Insurance she'd be a mighty likely prospect"?

If you are located near boating waters you *can* sell Marine Insurance. It doesn't require any special "know-how". A connection with the Marine Office of America provides the best of everything you need to write not only

yachts and power boats, but a hundred and one other kinds of marine insurance.

Learn how readily you can work with the Marine Office and produce business for your agency. Send us a description of a specific risk—we'll give you the proper forms and information you need for selling—and prepare the policy for you. Write our nearest branch office.

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# BIG JOB?

**OF COURSE IT'S A BIG JOB!** But then everything about this war with Japan is big. Mountains of supplies have to be moved thousands of miles—to millions of men—at a cost of *billions* of dollars!

This great 7th War Loan Drive—one mighty effort instead of the two we had up to this time last year—must and will be a success. Our fighting men are depending upon *us all* to continue to do *our* job on the home front—and an important part of that job is to buy *more* and *bigger* War Bonds.



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## Minter Is New Virginia President; Adopt Auto Plan

### Group Insurance Program for Members and Employees Is Approved

RICHMOND—Adoption of a bank-agent automobile financing plan as well as a group insurance plan covering members and their employees highlighted the one-day business session of the Virginia Association of Insurance Agents here. John T. Minter, Norfolk, was elected president; Theodore W. Kelley, Richmond, vice-president and board chairman; and Frank E. Kinzer, Covington, treasurer. Roger Clarke, Fredericksburg, was reelected national state director. The nine district directors are: (1) J. Archie Nelms, Newport News; (2) R. E. Hawks, Portsmouth; (3) Warren F. Curtis, Richmond; (4) E. V. Lankford, Emporia; (5) Albert E. Cox, Danville; (6) Walter G. Stephenson, Roanoke; (7) J. V. Arthur, Winchester; (8) Guy F. Via, Charlottesville; (9) Robert M. Easley, Bristol.

The session was limited to 50 out-of-town members but the large Richmond membership and company attendance more than doubled the outside attendance.

### Past Presidents Present

Past presidents attending their annual dinner were: General E. E. Goodwyn, Emporia; J. J. Izard, Roanoke; Jacob Haun, Woodstock; John D. Crowle, Jr., Staunton; Roger Clarke, Fredericksburg; B. B. Burroughs, Norfolk; T. G. Tabb, Stuart Ragland, Donald Hancock, J. D. Ewell, E. T. DeJarnette, and W. O. Wilson, Richmond.

In order that the group insurance plan adopted may become effective, it will be necessary for 75% of the membership of the association to participate in it, it was explained.

Walter G. Stephenson, Roanoke, presented the bank-agent financing plan which he explained is not intended to be final or specific but rather a guide which will have to be adapted to local conditions. Under the plan agents should agree: To place no master policy in any one bank; to allow the prospective borrower to place his loan with the co-operating bank of his own choice; to pay no commission to the banks for referring business to the agent, and to finance no cars.

### Obligation of Banks

The banks should agree: To write no insurance, to accept no master policy from any one agent, to allow the borrower to place his insurance with the agent of his own choice providing the insurance offered is acceptable to the bank, to pay no part of the interest on the loan to the agent, to advertise aggressively that direct financing is available, and to work out a plan whereby the borrower can arrange the financing and insurance on his car as conveniently through the bank and agent as he can through the automobile dealer.

Howell M. Baker, Richmond, chairman of the committee on automobile liability coverage, urged the following changes in the standard automobile liability policy: (1) Clarification of the ex-

(CONTINUED ON PAGE 15)

## Okla. Wins Tax Case, But Controversy Still Rages

### Court Emphasizes Fact Commerce Question Is Not Decided

WASHINGTON — The Supreme Court Monday decided the Lincoln National Life Oklahoma 4% premium tax case, as a preponderance of insurance legal observers predicted it would be decided, that is, in favor of the state. However, the decision by no means settles or contributes to the settlement of the controversy now raging as to whether the states may impose discriminatory premium taxes upon foreign insurers that are engaged in interstate commerce. The Supreme Court in the Oklahoma case merely followed a long line of precedents, holding that a state may exact from a foreign corporation as a condition to admission to do business the payment of a tax measured by the business done within its borders and the equal protection clause of the Constitution does not require the tax or rate of tax exacted from a foreign corporation as a condition of entry to be the same as that imposed on domestic corporations.

In the Oklahoma case the Supreme Court did not permit arguments to be made on the question of whether a discriminatory tax is violative of the commerce clause of the Constitution, because Lincoln National started its suit against the Oklahoma premium tax law prior to the S.E.U.A. decision holding that insurance is commerce.

Lawyers find the greatest significance of the Lincoln National decision in a foot note on the final page:

"It is not contended that appellant is engaged in interstate commerce. Hence we do not have presented any question concerning the effect of the United States vs. Southeastern Underwriters Association, 322 U.S. 533, on the problem."

The Supreme Court thus seemed to go out of its way to emphasize that the decision was given without any relation to the commerce question and the fact that the court emphasized that point is taken by some observers as a hint that the justices entertain serious doubts as to the constitutionality of the discriminatory premium tax laws in the light of the S.E.U.A. decision. Fred Hansen, assistant attorney-general of Oklahoma, who handled the case for the state, fought hard to keep the commerce question out of it, giving the impression that he was anxious at all costs to avoid meeting that issue.

The decision in the Oklahoma case was 8 to 1 with Justice Roberts dissenting. However, he did not give a written opinion. The majority opinion was delivered by Justice Douglas.

### OHIO TO STUDY DECISION

COLUMBUS—Governor Lausche of Ohio said this week that he would have the superintendent of insurance study the Supreme Court decision in the Oklahoma tax case. A bill is pending in the Ohio house, sponsored by the governor, levying a premium tax on Ohio companies and foreign companies alike. The governor is quoted as saying:

"I am very glad to hear that the supreme court has ruled the Oklahoma law constitutional. It removes a very perplexing problem from my mind. I will have the superintendent of insurance digest the court's decision and report what effect it will have on the Ohio law."

Five life companies have filed suit in

### Text of Decision Given— Follow Precedents on Equal Protection

The text of the Oklahoma decision except for footnotes:

The sole question presented by this appeal is whether Oklahoma has denied appellant the equal protection of the laws in violation of the fourteenth amendment.

Appellant is an Indiana corporation. It qualified to do business in Oklahoma in 1919 and has continued to do business there every year since then. The Oklahoma constitution then provided as it does now, in Article XIX, Sec. 1, that:

"No foreign insurance company shall be granted a license or permitted to do business in this state until it shall have complied with the laws of the state, including the deposit of such collateral or indemnity for the protection of its patrons within this state as may be prescribed by law, and shall agree to pay all such taxes and fees as may at any time be imposed by law or act of the legislature, on foreign insurance companies, and a refusal to pay such taxes or fees shall work a forfeiture of such license."

### Entrance Fee of \$200

Section 2, article XIX of the Oklahoma constitution also required all foreign life insurance companies to pay per annum an "entrance fee" of \$200, and provided:

"Until otherwise provided by law, domestic companies excepted, each insurance company, including surety and bond companies, doing business in this state, shall pay an annual tax of two per centum on all premiums collected in the state, after all cancellations are deducted, and a tax of \$3 on each local agent."

Appellant paid the "entrance fee." It made application for a license. And it satisfied the other requirements prescribed by Oklahoma for admission to do business in the state. In each year subsequent to 1919 it made application for a renewal license and satisfied the various requirements of the state.

When a foreign insurance company desires, for the first time, to do business in Oklahoma, it must apply for a license to expire on the last day of February next after the issue of the license and on or before such date it must pay the gross premium tax on all premiums, less proper deductions, received by it in Oklahoma from the date of its license to and including Dec. 31 of that year. When a foreign insurance company which holds a license to do business in Oklahoma for a particular year desires to do business there during the ensuing year, it must make application for a license on or before the last day of February of the current license year, pay the gross premium tax on premiums received in Oklahoma during the preceding calendar year, and on or before the last day of February of the ensuing license year pay the gross premium

(CONTINUED ON PAGE 15)

Columbus to test the constitutionality of the Ohio law on the ground that out-of-state companies cannot be taxed at a rate different from Ohio companies. It is the opinion of some life insurance men, that the U. S. Supreme Court decision means the end of the effort to have the proposed 2 1/4% tax on all companies enacted.

## N.A.I.C. Central Office Proposal Well Received

### Need for Headquarters Is Accentuated by Supreme Problems of the Hour

The idea of establishing a central office of the National Association of Insurance Commissioners, as advocated at the St. Paul convention last week by Newell Johnson, the outgoing president, strikes a responsive chord among a great many commissioners and industry observers. It is by no means a new idea but it is made under entirely different circumstances than prevailed in previous years.

Ernest Palmer, then Illinois insurance director, earnestly championed the idea of a central office when he was president of the N. A. I. C. in 1936. It was later frequently and emphatically recommended by J. B. Gontrum of Maryland, when he was Maryland commissioner and was an influential factor in the organization.



E. L. Scheufler

SETH B. THOMPSON

However, in those days, the suggestion could be treated as another good idea and something to be pondered leisurely. There was no S.E.U.A. decision, insurance was not commerce, there was no public law 15, and the state system of insurance government was not in the position of having to sink or swim in the next two years.

Mr. Johnson's recommendation was referred to a sub-committee of the executive committee, and it is likely that a definite proposal will eventuate. Whether the decision will be to operate a completely independent headquarters office for the insurance commissioners, or whether that work may in some way

(CONTINUED ON PAGE 16)

## Number of Topics Eyed at Parley of Midwest Agents

The meeting of the Midwest Conference of agents in Chicago last week showed the progressive leadership of the western managers and their efforts to cooperate with the production forces for the benefit of the public. D. T. Marantette of the Detroit Insurance Agency presided in the absence of George Carter of that firm.

Use and occupancy was discussed at great length and it was revealed there are new forms in the offing that should prove attractive to the buyer. Consideration has been given to the elimination of the additional charge for priorities assumption and it was felt, at an early date, the additional charge would be eliminated.

### Coverage of Shrubs, etc.

Extended coverage was discussed, some agents presenting views as to broadening this coverage with regard to aircraft and vehicle damage to include fences, driveways, side walks and lawns. The Subscribers Actuarial Committee put this on its agenda for further consideration.

The clause extending to existing policies any new liberalizations that are decided upon was discussed at length and the company men stated they were not in accord with such a clause and undoubtedly it will not be adopted country-wide.

Personal property floater contracts received considerable attention with regard to increasing the blanket coverage on jewelry and furs from \$250 to \$1,000. There were company managers in attendance who felt this was the progressive way to underwrite this business, and more should be heard about it in the future.

Company men in attendance were E. A. Henne, America Fore; Fred W. Koeckert, Commercial Union; S. M. Buck, Great American; C. H. Smith, Hartford Fire; W. N. Achenbach, Aetna Fire; H. A. Clark, Firemen's; John C. Harding, Springfield F. & M.

### Roster of Agents

Agents on hand included Mr. Marantette, Lester Bright, Missouri; J. W. Barrett, Clayton Hale, and Peter Meyer, Ohio; Howard Gescheidler, Indiana; Grover Miller, Henry Bush, and L. C. Hilgemann, Wisconsin; R. A. Thompson, Minnesota; Harry F. Parrish, Oklahoma; C. M. Hunt, Tennessee; Irving R. Zerzan, Nebraska; Edwin S. Nellis, Kansas; W. Herbert Stewart, Illinois; Phil Braun, Michigan; and A. G. Harrison, Kentucky; also Russell Hobbs, Kent Parker and Harvey Snediker, Actuarial Committee.

## UOPWA Scoffs at Lewis' White Collar Program

NEW YORK—Reported intentions of John L. Lewis to organize the white collar workers do not impress the heads of the United Office & Professional Workers, the C.I.O. union which is already in this field. They say that Lewis' methods and aims are so foreign to those of the office workers that his attempts will fail as did his efforts to organize the dairymen, though he spent a reputed \$2.5 million.

White collar workers would have no use for Lewis' disregard of considerations of national interest and his heavy-handed "down with the bosses" technique, according to Leon W. Berney, vice-president of UOPWA.

The UOPWA, Mr. Berney says, endeavors to help white collar workers by promoting greater efficiency, in this way making possible higher pay for its members and greater profits for the employer. UOPWA has about 25,000 dues-paying members among insurance employees. This is its largest enrollment in any industry.



AT HEAD TABLES DURING COMMISSIONERS' MEETING AT ST. PAUL:

Newell Johnson, Minnesota, immediate past president; Col. Reese F. Hill, head of the army insurance department and convention speaker; J. M. McCormack, Tennessee, new president, and R. E. Dineen, New York superintendent. Pictures by Harry H. Fuller, deputy U. S. manager of Zurich.

## Joins Phoenix of Hartford in Mich.

Carl H. Johnson has been named state agent in Wayne county, Mich., and adjacent territory for the Phoenix of Hartford group. He succeeds C. H. Metzner, who resigned to become affiliated with Callender & Company agency at Peoria, Ill.

Mr. Johnson is a native of Chicago and is a graduate fire protection engineer of the Armour Institute. He entered the insurance business with the Underwriters Laboratories as an engineer in 1929 and served there until 1932, and in the same period was a faculty member of Armour Institute. In 1932 he joined the Iowa Insurance Service bureau in Des Moines and in 1936 was named special agent for the Crum & Forster group in Minnesota. Recently he was appointed state agent.

He has been active in Minnesota fire prevention work and served on the executive committee of the Minnesota Underwriters Association from 1940 to 1944. He was president in 1943-1944.

## Answer as to Fraizer's Plans Given at St. Paul

Universal regret was expressed by those attending the National Association of Insurance Commissioners convention at St. Paul that Cecil C. Fraizer is going out of office this week as insurance director of Nebraska. He has won the admiration of his fellow commissioners and of the industry people because of his leadership qualities, his judicial traits, and his engaging friendly personality. There is no question but that he would have been the selection for chairman of the executive committee at St. Paul had he chosen to remain in office. That fact is no reflection upon Seth Thompson of Oregon who was elected, because it simply happened that Mr. Fraizer would have been the man of the hour.

Mr. Fraizer was in a somewhat embarrassing position at St. Paul because everyone was interested in his future plans. Everyone there assumed that Mr. Fraizer had some definite commitment that he was not in a position to disclose at this time, and it got to be quite a game to try to discover what that commitment was. Several guesses were made and rumors were circulating that he was going to go with this or that company, or this or that organization, but these were all knocked on the head and finally all hands became convinced that Mr. Fraizer was speaking without any reservations when he said that he has no definite plans.

Political writers in Nebraska had speculated that Mr. Fraizer might have gubernatorial aspirations on the theory that Governor Griswold may enter the race for U. S. Senator, but Mr. Fraizer convinced his friends at St. Paul that he doesn't cherish political ambitions. Mr. Fraizer resigned as insurance director feeling that he had completed a cycle of public service and that he had made sufficient financial sacrifice. The position pays but \$4,000 a year. Having made that decision, he acted promptly



## Two Ind. Fires Cost Over \$500,000

The Pullman Standard Car Manufacturing Company's paint shed and 23 new refrigerator cars in process of being painted were destroyed by fire in Michigan City, Ind. The paint, turpentine and chemicals used in the section made it impossible to bring the fire under control. The insurance was in Factory Association, and the loss is estimated at approximately \$300,000. Another Pullman painting unit and other nearby buildings were not damaged.

The two-story and basement retail store of Montgomery Ward & Co. at 739 Broadway, Gary, Ind., was destroyed by fire with a loss to the insurers of between \$175,000 and \$200,000 on merchandise and contents. The fire started from an undetermined source in the paint department in the basement. The highly inflammable paint, varnish and shotgun shells stored in the basement caused a rapid spread of the fire to the remaining floors. Other stores adjoining suffered some damage.

Water in the Montgomery Ward & Co. basement forced its way into the adjoining basement, occupied by the Hudson Ready-to-Wear store. A wall of the fur vault collapsed and the insurers, it is estimated, will pay about \$50,000 in claims for damage to customers' furs and other types of "will call" garments and furs belonging to the store.

### Pure Oil Insurance Change

After 27 years of service Arthur W. Cleveland, manager of the insurance department of Pure Oil Co., is retiring from active duty.

Edwin T. Berquist, who has been with Pure Oil 16 years, 10 years as assistant manager of the insurance department, will succeed Mr. Cleveland.

Mr. Berquist is a native of Duluth and a graduate of the University of Minnesota, where he qualified as a civil engineer. He joined Pure Oil in 1929, and six months later was assigned to the insurance department at Chicago.

### SEC Reports Transactions

In the official summary of security transactions and holdings of the Securities & Exchange Commission for the period April 11-May 12, it is reported that E. A. Hence, vice-president and western manager, sold 632 shares of Continental and still has 900 shares; Leland W. Cutler, vice-president at San Francisco, bought 20 shares of Fidelity & Deposit and now holds 44; Raymond Spinney of Boston sold 95 shares of Employers Group Associates and now has 119.

without making any attempt to establish a new connection in private life or without letting word get about that he was willing.

Mr. Fraizer was accompanied to St. Paul by Mrs. Fraizer, who has become a gracious part of the commissioner's meetings, and she, too, must have been embarrassed by the many questions that were asked about the Fraizer's future plans.

## Tydings Proposes \$100 Million Gift to Philippines

WASHINGTON—A gift by the United States of \$100 million for reconstruction and rehabilitation in the Philippine Islands, in lieu of paying for war damages there, has been proposed by Senator Tydings, Maryland, head of President Truman's special mission to the Philippines, in a report to Congress. However, this would be aside from possibility of war damage insurance applying to the islands, the Senator made clear, saying that, "the relationship of property in the Philippines to war damage insurance will undoubtedly be clarified later by Congress."

War Damage Corp. has designated a group of investigators and specialists to survey war damage in the islands and report back. It may be that legislation on that subject will be delayed until after their report is received and analyzed, as basis of recommendations by the RFC, parent to WDC, to Congress.

### Gives Estimate of Damage

Speaking in the Senate, Tydings said among other things:

"The best over-all estimate I could get of the possible damage wrought to the islands by the war is as follows: That from 10 to 15% of all the buildings have been destroyed, and that possibly another 10% have been damaged. Thus, 25% of all the assessable basic structures in the Philippine Islands have either been destroyed or seriously damaged. This, of course, affects the revenue of every town and city in the islands as well as that of the commonwealth government. In the present emergency, it is very difficult for towns and cities and the national government to raise the necessary revenues to carry on. Export and import revenues are practically nonexistent. The whole system of taxation and revenue-raising has been destroyed.

"This government, so far as I can ascertain, from the war of the Revolution down to date, has never paid war damages to its own citizens. What property the army has requisitioned for its own use, it has, of course, paid for, but it has never paid for the damage inflicted on persons or property as a result of actual warfare.

"During this war, arrangements were made to deal with this matter through the medium of war damage insurance. The relationship of property in the Philippines to war damage insurance will undoubtedly be clarified later by act of Congress. I shall not discuss this insurance subject further at this time.

"It would be unwise in my opinion, at least for the present, if we were to depart from our long and traditional attitude toward war damages—apart from insurance. On the other hand, we would be a heartless and unappreciative nation if we did not recognize the dire straits of the Filipino people as a result of the fighting with the Japanese. I therefore respectfully suggest to the Congress that we make a gift of \$100 million for the purpose of assisting in the rehabilitation and reconstruction of the Philippines, this sum to be expended by our army and navy engineers in accordance with a program to be worked out by the Congress.

"Such a program would help mightily in restoring the homes and the industry in the Philippines, whereas the mere payment of cash might not. At any rate, I do not believe, for many reasons which I will not take the time to detail, that we should embark on a program of paying war damages—apart from insurance—throughout the Philippines. Rather, I suggest that we make this appropriation in the form of a gift. This policy will permit us to retain our traditional attitude toward war damages on the one hand, while at the same time, on the other, to bring a large measure of aid to the people and industries of the Philippine Islands."



## Erickson Trial Is Expected to End This Week

BISMARCK, N. D.—The impeachment trial of Oscar E. Erickson, suspended insurance commissioner, was expected to end this week. Erickson, several agents and others appeared before the state senate, which is conducting the trial, for the defense.

W. R. Koch, Bismarck agent, denied ever rebating to Erickson any commissions he received on insurance department business placed with him. L. M. Peet, Des Moines, also denied returning any commissions to Erickson.

Koch's testimony was in the form of a deposition read before the senate, which is acting as the impeachment court. In the deposition he stated that Otto R. Vold, former manager of the fire and tornado division of the insurance department, asked Koch for a kickback of \$3,500, and Koch said that at the time he agreed to make it, but did not intend to do so and never made it. He agreed to do so because Vold had suffered a stroke and he, Koch, did not want to put any undue pressure on Vold.

### Peet Appears for Defense

Peet testified that Erickson does not own and never has owned any stock in Farmers Union Life of Des Moines, of which Peet is president. He denied ever rebating to Erickson or any other insurance department personnel. The prosecution had sought to show that part of the alleged kickbacks was in the form of stock purchased by Peet in the Des Moines company for the joint benefit of Erickson and Peet.

George Kelly, auditor for Ernst & Ernst, testified he found no record of stock in Erickson's name or in the name of Vold on the books of Farmers Union Life.

E. C. Wicklund of Eau Claire, Wis., loan agent of Northwestern Mutual Life, testified that a \$721 final payment on a farm in Wisconsin repurchased by Erickson from the company was received from L. M. Peet. Wicklund said he believed that the statement of the amount due on the farm purchase contract was sent to Peet at Erickson's request. The payment was in March, 1941.

### Agents Give Testimony

Among the others who appeared on the stand for the defense were J. C. Blaisdell, Minot agent; Ed. P. Cosgriff, Fargo agent and W. A. Hart, Bismarck agent. The latter two testified that they countersigned reinsurance policies placed with Western Fire of Ft. Scott, Kan., but that they had no part in the negotiations for the reinsurance. Cosgriff testified he received a countersigning commission of approximately 5% and Hart said he countersigned the policies merely as an accommodation to the company and received no commission.

C. J. Myers, who formerly managed the hail insurance division of the state insurance department, testified that he and Erickson bought a hail insurance policy in 1943 to protect the division's funds. He said that the fund in 1943 was low and that the risks carried by the department had increased greatly because of improved crop conditions. The hail fund, Myers said, had \$880,617 in bonds in 1943 while risks totaled \$11,623,714. Erickson is charged by the prosecution with purchasing a \$200,000 hail reinsurance policy with London Lloyds in 1943, paying an excessive amount for it and receiving kickbacks on the commissions paid in connection with it. Myers testified that after contacting a number of insurance companies in the United States unsuccessfully he contacted Peet and the latter opened negotiations with Lloyds.

### Erickson Takes Stand

Erickson himself took the stand in his own defense and testified that a large number of currency deposits made by him between 1838 and 1943 represented contributions to the Non-Partisan

## New Fire Association Vice-presidents



A. F. POWRIE



R. B. BARNETT

Directors of the four companies comprising Fire Association group have conferred the title of vice-president upon A. F. Powrie, R. B. Barnett and P. W. Barnes in recognition of long service well and faithfully rendered. The three manage respectively the western, southeastern and New York departments and their duties will continue as heretofore.

Mr. Powrie has been manager of the western department since 1923, with headquarters at Chicago. He is a native of Michigan and commenced in 1896 with a local agency, continuing there until 1903 when he entered the field as a special agent. In 1908 he joined Fire Association as Michigan state agent. In 1920 he was appointed assistant manager of the western department. For many years he has taken an active part in various committees of insurance organizations, acting from 1937 to 1939 as president of the Western Underwriters Association.

Mr. Barnett was born at Grantville, Ga. He attended Emory College, and in

1902 started in the insurance office of W. E. Chapin, who represented Fire Association in a managerial capacity for the southeast. Mr. Barnett's success in both office and field was such that he was taken into partnership with Mr. Chapin. In 1925 the office was taken over by Fire Association and its associated companies under the management of Mr. Barnett. His entire business career has been devoted to affairs of Fire Association.

Mr. Barnes has been manager at New York since the office was established in 1930, and since 1937 has been a secretary of the companies. Mr. Barnes started as a clerk with Firemen's, advancing rapidly until he devoted his entire attention to underwriting and production. In the last war he served in France. On his return he rejoined his former company, leaving there to take over the management of the brokerage department of Niagara Fire, where he remained until joining Fire Association.

### Plans Are Arranged for Abridged N.F.P.A. Meeting

Owing to the fact that the National Fire Protection Association at its annual meeting June 26 at Boston will have present only the members of the board of directors and chairman of committees to present reports, the whole program will be greatly abridged. Organization members have designated members of the board as their representatives. President R. E. Vernor of Chicago will give his address covering his interpretation of N.F.P.A. terms and policies. The report of the directors will be given by Chairman Elliott. General Manager Bugbee will summarize the activities of the National Fire Protection Association during the last year.

## Ariz. Referendum Fight Succeeds; Laws Suspended

PHOENIX, ARIZ.—About twice the required number of signatures were secured on a petition for referendum to place on the ballot in the general election of November, 1946, the question of whether to knock out the newly enacted Arizona fire insurance rating law, and sections of another law enacted at the same time governing qualification of agents. About 12,000 signatures were secured, whereas the number necessary to place the question on the ballot was 6,000. It is anticipated that there will be some legal skirmishing to determine whether all those signing the petition are electors, but since many more than the required number were gotten it is assumed that the question will go on the ballots next year.

The petitions were filed last Saturday, which was the last day for filing. In Arizona it is provided that a law goes into effect 90 days after the close of the legislative session unless a referendum petition is filed. The filing of such petition serves to suspend the operation of the law, until it is voted upon at the general election. Already it is understood that steps had been taken to prepare for putting these two laws that are challenged into effect.

The signatures were obtained at the instance of American Mutual Alliance. That organization took particular exception to the provision in the fire rating bill that every company must belong to a bureau, and that a bureau must consist of at least five insurers. In the agency qualification section American Mutual Alliance objected particularly to the creation of a state examining board consisting of local agents.

One of the eccentric features of the Arizona fire insurance rating law was the provision giving the Arizona corporation commission the power to examine insurance associations of all kinds which would include local boards, field men's organizations, Blue Goose, etc. Although the organized local agents of Arizona were potent advocates of the laws that are going to referendum, some of the national agency leaders were disturbed by this and certain other provisions of the Arizona law.

These laws in Arizona were enacted in very short order and caught legislative people by surprise. The same type of law was introduced in Montana, Nevada and one or two other western states but failed of enactment anywhere else. The opposition mustered its heavy ammunition at the hearings.

Neither the National Board nor Pacific Board took a hand in resisting the petition campaign of American Mutual Alliance. They took a stand-by position.

### Steering Group Meets at Denver

The executive committee of the American Association of Insurance General Agents held a three-day meeting at Denver.



INFORMAL GLIMPSES OF INDIVIDUALS AT COMMISSIONERS' CONVENTION AT ST. PAUL:

Nellis Parkinson, Illinois insurance director; Thomas Watters, Jr., National Board of Fire Underwriters; E. L. Scheufler, Missouri, N. A. I. C. vice-president; John J. Holmes, Montana, sergeant-at-arms; John A. Diemand, president North America. Pictures by Harry H. Fuller, deputy U. S. manager of Zurich.



## Conn. Agents Eye Legislative Changes

100 Attend Midyear Gathering in Stratford: Go Into Bank-Agent Plan

By RALPH E. RICHMAN

STARTFORD, CONN.—President W. H. Wiley of the Connecticut Association of Insurance Agents urged all agents in the state to study the Waterbury plan for promoting the bank-agent method of car financing and insuring at the midyear meeting here Tuesday.

About 100 agents attended and were gratified to learn that the membership has increased from 482 to 565 since the annual meeting last winter. William J. Dodd, Waterbury, reported as chairman of the membership committee. A. S. Mastriano, Meriden, secretary-treasurer reported a healthy condition of association finances.

A resolution proposed by the executive committee read by David A. North, New Haven, urging special activity to promote the bank-agent plan of car purchase financing was adopted by the association.

### Law on Controlling Insurance

Connecticut now has a law providing that any one offering to make a loan or sell property on the installment plan who requires as a prerequisite of the loan that the insurance on the property involved must be written by a designated agent or company shall be subject to a fine of \$100.

The report on this law was a highlight of the statement of Arthur A. Watson, Hartford, chairman of the association legislative committee. One new law eliminates the classification of insurance solicitor. Those selling insurance in the state will now be either brokers or agents. Without examination the next of kin or executor of a deceased agent may now receive a 90 day temporary license as an insurance agent for the purpose of handling the business of the deceased agent pending a new setup. This license at the discretion of the insurance commissioner may be extended to 180 days.

It is no longer legal in Connecticut for an agent to sign policies in blank. When a company sends an agent a policy to countersign, it must be completed. After Oct. 1, 1945, the maximum liability verdict in the state may be \$20,000 instead of \$15,000, the present maximum. For protection, buyers in the state should be sold increased liability limits effective next October, Mr. Watson said.

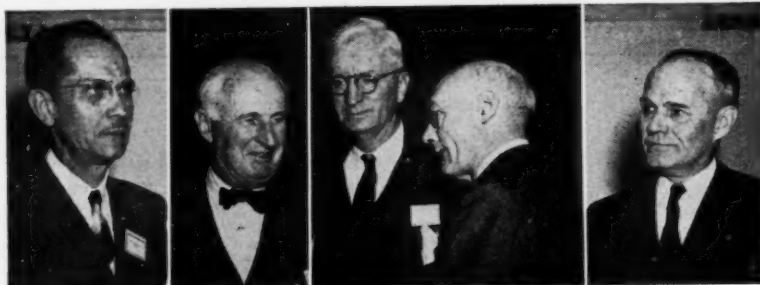
### Other New Laws

The new casualty rating law, discussed at length by Wilson C. Jansen, vice-president of Hartford Accident, a law legalizing the writing of family hospitalization policies by insurance companies, and a law legalizing the writing of participating policies in specified fields by stock companies are other new Connecticut legislative enactments.

Agents were very favorably impressed by the activity of the legislative committee and its chairman, Mr. Watson.

### Allyn and Thomas Talk

W. Ray Thomas, Pittsburgh, president of the National Association, spoke for that organization. W. Ellery Allyn, insurance commissioner, praised the work of the state association legislative committee and the senate and house insurance committee chairmen responded. Andrew Twaddle, chairman of the house committee, an insurance man of Hartford, was present and received special acclaim when he was introduced by President Wiley. Commissioner Allyn expressed the hope that the new Connecticut casualty rating law would provide some experience which would be a guide for legislative enactments in other states.



BEFORE THE CAMERA AT COMMISSIONERS GATHERING AT ST. PAUL:

H. E. Matzke, new Nebraska commissioner; Ellery Allyn, Connecticut commissioner; Roy B. Rummage, Arizona insurance director; Seth B. Thompson, Oregon, chairman N. A. I. C. executive committee; C. C. Fraizer, outgoing Nebraska commissioner. Pictures by Harry H. Fuller, deputy U. S. manager of Zurich.

## May Add Wave Wash Damage to Windstorm Coverage in East

NEW YORK—Rates, rules, and a proposed assumption endorsement and application for adding wave wash damage coverage to windstorm policies will be considered at a special meeting of the Eastern Tornado Conference here June 21. While the meeting will deal only with the windstorm policy, it is anticipated if the plan is adopted the additional coverage will be applicable to the extended coverage endorsement as well.

While the windstorm and extended coverage wording makes it clear that no liability is assumed for wave damage or high water, there was much dissatisfaction among the owners of shore-front property following the Sept. 14 hurricane last year. The situation was intensified by Governor Edge of New Jersey attacking the companies for not paying such claims under windstorm or extended coverage.

### Reasons for Inclusion

As a result many insurance leaders came to the conclusion that it would be best to make coverage available that would take care of such losses, since it would not only protect the property of those who wanted to buy the insurance but would serve to emphasize that insured were not covered unless they bought the special additional coverage.

### Roggenkamp with Ohio Farmers

Carl H. Roggenkamp, special agent of Security of Iowa in Ohio, has resigned to become Wisconsin state agent for Ohio Farmers.

Roy Haser is returning from Wisconsin to his old Illinois field. Mr. Roggenkamp's headquarters will be at Madison.

### G. & R. Pays Off Its Loan

The final balance on its loan and indebtedness which originally amounted to \$6,465,500 has been paid off by Globe & Rutgers Fire. The final payment was \$350,000. Also since Dec. 6, 1934 when the reorganization plan was put into effect, \$2,250,000 of first preferred stock has been retired. There are left 12,500 shares with a retirement value of \$1,250,000.

### Start Nat'l Auto Hearings in Cal.

After opening a hearing on the order of the California department to National Automobile & Casualty to show cause why its license should not be suspended for a period of not more than a year, a continuance was granted to July 2. The insurer is charged with violation of the code in respect to workmen's compensation underwriting. Deputy Commissioner Fullenwider presented the opening statement for the department. He said that 400 cases are involved and that approximately 8,000 documents will be introduced. Attorney Loyd Wright for the company said the opening statement of the defense had been lost in the mails and asked permission to file it in writing.

## McLaughlin License Denial Case Argued in Virginia

RICHMOND—Argument was heard Tuesday before the state corporation commission on whether the Edward F. C. McLaughlin Company of New York is entitled to a non-resident broker's license in Virginia. Commissioner Bowles denied the firm's application for such a license early this week.

In doing so, he was under the impression that it had brokered a large line of insurance on church properties in the Catholic diocese of Richmond without a license, after some 600 policies covering the properties had been canceled. It turned out that no policy had actually been issued, but a binder had been. The commissioner took the position that the placing of a binder amounted to the same thing and denied the license on this ground.

### Decision Is Pending

Mr. McLaughlin, head of the brokerage firm, insisted that he had neither solicited nor placed any insurance in Virginia. The proceedings before the commission were not in the nature of appeal from Commissioner Bowles' ruling. Under state law, they constituted a de novo proposition, whereby the commissioner's denial of the license stands as no prejudice to the non-resident firm. The commission took the case under advisement.

### To Broaden School Coverage

LANSING, MICH.—The Lansing board of education has decided to increase and broaden insurance coverage on public school property, also altering distribution of the business among local agencies.

Under the new five-year contract, written on a 90% coinsurance basis, total coverage is increased from \$5,666,400 to \$6,795,800 and extended coverage is provided for the entire amount. Changes in the contract were made in accordance with recommendations made by B. J. Adams, board member, following a survey of existing insurance.

More than 30 agencies will participate, the largest allocations being: Dyer-Jenison-Barr Company, \$875,000; Clyde B. Smith, \$775,000; Mill Mutuals Agency, \$700,000; AmmonMcBride-Moore, \$475,000; Robert C. Stratton, \$450,000; Herbert G. Cooper, \$400,000; Carl F. Traeger, \$325,000.

### H. E. Moore on Chicago Trip

Harry E. Moore of Boston, president National Association of Insurance Brokers, reported to the directors of the Insurance Brokers Association of Illinois Tuesday the creation of an industry wide study committee agreed upon at the insurance commissioners meeting just closed at St. Paul.

He also discussed with the directors further plans of the National Association which was reorganized in April at New York. Mr. Moore is serving his third term as president.

Vice-president Leonard Peterson of Home is on a two weeks' trip through the middle west visiting company offices and field men.

## Washington Bank Finance Plan, "Ad" Material Ready

SEATTLE—An automobile finance advertising kit, prepared by the financed accounts committee has been sent to members of the Washington Association of Insurance Agents.

Designed to interest clients in financing car purchases through local banks and insuring with local agents, the material includes a sample letter, stickers to be attached to invoices, statements and letters and two mailing cards and two blotters.

All of the material is available without cost to the agent. The order is presented to any bank, which places the order and pays for the supplies. If an agent desires to have his name, address and telephone number imprinted, he bears a nominal charge. If a local bank does not desire to cooperate, the Washington association committee will furnish the agent with a list of cooperating banks.

## Program of Chicago Meeting of Women Announced

The entertainment program for the executive committee meeting of the National Association of Insurance Women at the Stevens Hotel, Chicago, June 17-19 inclusive, has been prepared. All local arrangements are in the hands of the Insurance Distaff Executives Association of Chicago.

Mrs. Sadie Hoffman of Underwriters Laboratories, president of the Distaff association, will be hostess at a president's tea June 17 at the Edgewater Beach hotel which will be preceded by an automobile trip along the lake front and a reception at the home of Mrs. Hugo Dalmar, head of H. Dalmar & Co., Chicago, class 1 agency, past president of the Distaff association. There also will be a gathering of the executive committee preceding the tea.

### Formal Dinner Planned

June 18, a luncheon is scheduled at the Union League Club with Mrs. Kathleen L. Belcher, reinsurance general agent and chairman of the local reception committee, presiding. Miss Clara A. MacCubbin, Baltimore, first vice-president of the National association, will speak. There will be a reception in the Continental Hotel, and a dinner at the same place with Mrs. Lillian L. Herring, executive secretary Insurance Federation of Illinois, past president Distaff association and general chairman of the executive and finance committee for the National association entertainment, presiding. Mrs. Ada V. Doyle of Caldwell, N. J., president National association, will give a talk, and the closing remarks will be by C. M. Cartwright, editor of THE NATIONAL UNDERWRITER.

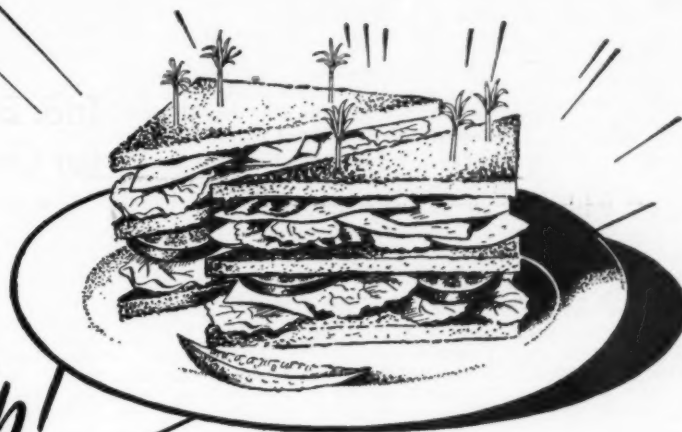
Other committee chairmen for the meeting are: Registration and service, Miss Ruth Kendall, Associated Aviation Underwriters, and hospitality, Miss Florence M. Manson of Youngberg-Carlson Company. Preceding the buffet dinner the last evening there will be a visiting period at Hotel Continental.

### Chicago 25-Year Club Meets

The 25-Year Club of the Aetna Life and affiliated companies in Chicago will hold its first annual dinner meeting Monday evening in Hotel Sherman. This is composed of all employees of the fleet who have served one of the affiliated companies for at least 25 years. The organization has been conducted for the last year with temporary officers. Permanent officers for the coming year probably will be elected at the dinner meeting.

## ONE CLUB SANDWICH

*Coming Up!*



Like the original Club Sandwich, the Combination Residence Policy was built up, layer by layer, to give the utmost in satisfaction and value. But, it has been overshadowed by newer and sometimes less attractive combinations.

The good old Combination Residence Policy, however, is a staple. It is not a rich man's policy, but a merger of Personal Theft, Comprehensive Personal Liability, Water Damage, and a few other property damage features not ordinarily obtainable in specific contracts. It is suitable for sale to any residence owner of moderate means.

Tell your customers and prospects that with Fire and Extended Coverage, plus INDEMNITY INSURANCE COMPANY of NORTH AMERICA'S Combination Residence Policy, they will have ADEQUATE PROTECTION against the unexpected losses which can wreck their personal budget.

The original package policy is still very appetizing—don't overlook its appeal, and the added income to you from its sale!



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**KEEP AMERICA BUSY—GIVE A RETURNED VETERAN A JOB!**



## NEWS OF FIELD MEN

### Ohio Field Groups Elect Officers

COLUMBUS—The Ohio Fire Underwriters Association and Ohio Fire Prevention Association elected new officers at their annual meetings held here Tuesday. W. H. Witherspoon, Aetna Fire, is the new president of the underwriters, and Fred I. Sipp, Hartford, president of the other organization.

The other new officers of the underwriters are: R. E. Zimmerman, Commercial Union, vice president; Howard R. Underwood, Providence Washington, reelected secretary-treasurer. New members of the executive committee are: H. L. Rubrecht, St. Paul; C. N. French, Fire Association, and H. J. Kirkham, New Hampshire; holdover members, D. C. Morgan, State of Pennsylvania, and H. P. Winter, America Fore.

New members received are B. O'Connell, marine special agent Home, and Vern Hart, special agent Sun. Resignations were accepted from F. A. Jetting-

hoff, North America, who has gone with a Cleveland agency and R. H. Mercer, Home, who has been made special agent in West Virginia. No meetings will be held in July and August. Barry Truscott, vice president of the Camden, was a guest.

Mr. Witherspoon is past president of the fire prevention association. He has been with the Aetna Fire for 22 years. **Preventionists' Officers**

The other officers of the preventionists are: William Cuddy, Buckeye Union, vice-president; P. L. Johnson, American of Newark, secretary-treasurer, and C. B. Lamb, Automobile, chairman executive committee.

The nominating committee was composed of C. G. McCray, Great American; R. B. Sherman, Northern of England, and H. N. Coldwell, Security of Connecticut.

The SWIS program having been discontinued by the government, the association appointed a committee consisting of K. J. Hoag, Fireman's Fund; R. B. Sherman and D. D. Montgomery, Ohio Farmers, to confer with Gov. F.

J. Lausche in an effort to obtain the cooperation of the state in formulating a facilities fire prevention program in Ohio. In the past year inspections were held in Athens, Ashtabula and New Philadelphia. President Sipp recommended at least six be held in the coming year.

He succeeds as president George S. Valentine of Ohio Farmers, who was transferred to Pennsylvania.

### Ind. Boosts Hull for Grand Keeper

Now that it has been announced that there will be at least a streamlined



J. Ray Hull

meeting of the Blue Goose grand nest in August, the Indiana pond is grooming J. Ray Hull as its candidate for grand keeper, in line with its announcement in 1942. Mr. Hull, vice-president of American States Fire started in the Dakotas pond in 1925 and for 20 years has been an active and enthusiastic member of the order. Going to Indiana in 1927, he was elected an officer in 1938 and advanced through the various offices, serving as most loyal gander in 1941-42. Since then he has served as deputy most loyal grand gander and attended grand nest meetings in 1930, 1939, 1940, 1941 and 1944—the latter three as a delegate of the Indiana pond.

Mr. Hull entered insurance in 1917 as a local agent and seven years later became special agent of Liverpool & London & Globe in South Dakota. He was transferred by that company to Indiana in 1927. In 1932 he went with Union of Indiana as state agent and in 1942 was elected secretary of that company. In 1932, Union was purchased by American States and American States Fire. Mr. Hull was elected vice-president of both those companies, being now active in the home office and in the field for them. In addition to the Blue Goose, he has been active in various other field organizations.

### Ohioans Plan Lake Cruise

CLEVELAND—The Western Reserve puddle of Ohio Blue Goose and

the Cleveland Field Club will have a full day's cruise June 26 on the "Alabama," for which special entertainment has been planned. F. J. Weber, Concordia, will be captain for the day, and F. C. Wolf, New York Underwriters, Schofield building, Cleveland, purser. Reservations and checks should be in Mr. Wolf's hands by June 18.

### Cassell Slated to Head Illinois Blue Goose

The nominating committee's slate for the annual election of the Illinois Blue Goose in Chicago June 18 has been completed and includes J. Lewis Cassell, London Assurance, m.l.g.; Paul J. Bowers, Western Adjustment, Joliet, supervisor; Harry J. Conklin, state agent of Firemen's, Springfield, custodian; Edgar B. Miller, North British, guardian; A. J. Meyer, state agent of Automobile and Standard of Connecticut, keeper, and Sherman Leseth, Standard Accident, welder. The nominating committee is headed by Don C. Campbell, America Fore.

### Illinois Fire Underwriters Program Completed

Will S. Ellis, assistant manager of Royal at Chicago, will be the principal outside speaker at the annual meeting of Illinois Fire Underwriters Association in Chicago June 19. Mr. Ellis will discuss use and occupancy, and there will be a question and answer session following the presentation of that subject.

The meeting will be devoted strictly to business. It will open at 9:30 a.m. in the Chicago Board auditorium with the address of President J. J. Rusco, Aetna Fire, Springfield, followed by committee reports, including one by J. Lewis Cassell, London Assurance, on men in service.

### Fire Prevention Meeting

In the afternoon the Illinois Fire Prevention Association, of which Robert Y. Dievendorf, Northern Assurance, is president, will hold its annual meeting. There will be a discussion of the SWIS program. After a brief intermission the Illinois Fire Underwriters Association



W. S. Ellis

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**YOUR ASSUREDS**  
**ADEQUATELY COVERED**  
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Many of your assureds may have made or may be planning to make, at their own expense, substantial improvements to leased property . . . We urge you to check the policies of all of your assureds now to be sure their insurance adequately covers any Lease Improvements which may not now be properly insured. Call on our field man for any information or assistance you may desire—or if your need is urgent, write or phone our home office.

*Monty T. Jones*  
PRESIDENT



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And wherever these pioneers went, Insurance stood behind them, protecting their property in uncharted territory. When disasters came, Royal, and other companies, contributed to the restoration of crippled communities by the prompt settlement of every just claim.

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have won for Royal the complete confidence of American policyholders and agents—and to both go our hearty thanks for their substantial contribution to the Company's gratifying record of growth and achievement.

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FIRE AND CASUALTY LINES . . . FIDELITY AND SURETY BONDS

will elect officers and complete its business.

The annual meeting of the Illinois Field Club will be held at Hotel LaSalle, Chicago, June 19.

### Sims to Fireman's Fund Atlanta Executive Post; Name W. F. Dance in Va.

Thomas E. Sims, Jr., has been advanced to agency superintendent of the southern department of Fireman's Fund at Atlanta. He will share executive responsibilities with Agency Superintendent Loyle W. Stynchcombe.

Mr. Sims has been special agent for Fireman's Fund for the past several years. He is succeeded as special agent in Virginia by W. Freeman Dance, Jr., Mr. Sims was located in the Atlanta headquarters and then entered the field, first as special agent for the automobile and marine departments. For the past seven years he has supervised activities in Virginia.

Mr. Dance has been special agent with headquarters at Richmond for Home.

### Rushin Resumes N. C. Post with Hartford Fire

W. E. Rushin, special agent of Hartford Fire in North Carolina until May, 1943, when he entered the navy, has been released and is returning to his former duties. He will have his headquarters in Charlotte. Mr. Rushin served as lieutenant (j.g.).

E. L. McMurray, who was assigned to the North Carolina field staff on Mr. Rushin's enlistment, is being called to Atlanta where he will be affiliated with the southern department staff.

### North Dakota Field Groups Elect Officers

At its annual meeting the North Dakota Underwriters Association elected the following officers: President, S. G. Mason, state agent Liverpool & London & Globe; vice-president, Charles E. Sheery, state agent Aetna Fire; secretary, Robert Ellis, general agent Agricultural.

The North Dakota Fire Prevention Association at the same time reelected these officers: President, Ray B. Swanson, Home; vice-president, Robert Ellis, general agent of Agricultural; secretary, R. J. Klinkenborg, Norwich Union.

### Utah-Idaho Pond Elects

**SALT LAKE CITY**—The Utah-Idaho Blue Goose at its annual meeting here elected these officers: H. S. Morr, chief engineer, Pacific Board, district F, most loyal gander, succeeding S. E. Rich; supervisor, R. L. Salmon, Commercial Union; guardian, Frank Benson, Benson Corp.; keeper, A. R. Busch, Home; custodian, F. C. Bromley, Nichols Adjustment Bureau; welder, C. W. Lundquist, Royal-Liverpool. Mr. Morr was named delegate to the grand nest. A cocktail party, dinner and entertainment followed the election. The annual outing will be held July 3.

### Ga. Pond Election June 29

The annual meeting of the Georgia Blue Goose will be held June 29 at the Atlanta Athletic Club. Officers will be elected and installed and several new members initiated.

### 13,422 Inspections in Midwest

The report of the fire prevention department of the Western Actuarial Bureau on SWIS inspections show that the total to May 31 in 19 midwest states was 13,422. The May figure was 651, which was the largest single month since the program got under way.

C. J. Wintrol, Royal-Liverpool state agent, Wichita, and Mrs. Wintrol are

the parents of a girl, their second child.

The **Seattle Blue Goose** entertained the ladies auxiliary at a dinner dance June 11 to honor distinguished war service the ladies have rendered as a unit ever since the outbreak of hostilities.

**Dario Carbone**, formerly special agent of Corroon & Reynolds in St. Louis, has been discharged from the army after spending 28 months in Africa, Sicily and Italy as a staff sergeant with the 325th fighter group. He received the presidential citation with oak leaf cluster.

Frederick Miller, Iowa supreme court justice, who recently returned from the San Francisco peace conference, told the **Iowa Blue Goose** of developments there.

Mrs. Claire Phillips, for four years a refugee in the Philippines, told the **Oregon Blue Goose** of her experiences.

## CHICAGO

### SHOW FILM ON BANK-AGENT PLAN

Some 125 leading insurance men of Chicago, including managers, agents, brokers, and organization officers, attended a luncheon meeting there at which a film on bank-agent financing of automobile purchases was shown by Ross Coffin, Indianapolis local agent who is closely identified with Agents Finance Company. The affair was by invitation. The film showed the procedure of financing an automobile purchase through a local bank and the benefits to be derived.

### NEW OLD GUARD MEMBERS

The America Fore Old Guard inducted four new members at a luncheon in Chicago at which Vice-president E. A. Henne presided.

New members are W. Max Speth, senior examiner for Ohio; Lloyd S. Wallace, Niagara state agent in Wisconsin; Otto Nesladek, farm collection correspondent, and Everett R. Phillips, special agent in Illinois.

Previous to his joining America Fore, Mr. Speth was in the office and field for Liverpool & London & Globe and Pennsylvania Fire. Mr. Wallace was with Pennsylvania Fire in the office and Wisconsin field until he joined Niagara. Mr. Nesladek has been in the farm de-

## Property Facts Are Basic

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partment continuously for the past 25 years. Mr. Phillips started in the farm department, went into the Wisconsin field for the recording department, later traveled in Indiana, the Rocky Mountains and Iowa.

## M. &amp; M. TO 44-HOUR WEEK

Marsh & McLennan in Chicago has just gone on a 44-hour work week. In order to preserve Saturday free, by vote of the employees, the office is operating until 9:30 p. m. Tuesdays with a half hour off for the evening meal. Several other large insurance offices in Chicago have been operating one evening a week until 9:30 for the past several weeks.

## BAGBY RETURNS TO WORK

J. C. Bagby, manager of the Commercial Union group in Chicago, who has been seriously ill for the last three months, is now able to be at his office a short time each day but it will take a longer recuperation period before he is in tip top shape.

## FIELD CLUB GOLF OUTING

The annual golf outing of the Cook County Field Club will be held June 22, at Itasca Country Club, Itasca, Ill. Edwin F. Fromm is handling arrangements.

## SUPERVISORS' SESSION

Underwriters Adjusting held its semi-annual supervisors' meeting in Chicago. Hail losses, difficulties in finding manpower and other topics were discussed. H. H. Moore, general manager, presided.

## Ky. Field Groups Elect Officers

LOUISVILLE—Monday was devoted to meetings of the various insurance field men at Louisville, with the best attendance probably on record, with around 75 present at a luncheon.

The Speakers Bureau elected George C. Gibson, London & Lancashire, president, succeeding Irvin S. Renau of the Avery agency, Louisville. H. E. Timmons, Automobile, was named vice-president; and George Gamble, Aetna Casualty, secretary.

The Kentucky Fire Prevention Association elected Richard K. Langan, Great American, as president. He succeeds Frank Swearingen, Travelers. H. E. Timmons was elected vice-president, while Kenneth Dunkin, Travelers, was elected secretary.

The Kentucky Fire Underwriters Association held its semi-annual meeting.

The Kentucky Blue Goose elected C. E. Fieldhouse, Home, most loyal gander, succeeding Smith Holland, America Fore. C. A. Smith, Western Adjustment, was named keeper, and Tom Nichol, Aetna Fire, continues as wielder.

E. C. Knoop, Jr., Home, Columbus, O., was a visitor. His father is state agent in Kentucky for Aetna Fire.

The Kentucky field men June 25 will attend an outing at the farm of Stanley Demaree at Bardstown, in connection

with the 25th anniversary of the Eugene Wilson & Co., agency, which represents 33 companies.

## Plan Tenn. Safety Commission

NASHVILLE—Lynn Bomar, Tennessee safety commissioner, has announced a series of organization meetings at Kingsport, June 6; Knoxville, June 7; Chattanooga, June 8; Nashville, June 13; Jackson, June 14, and Memphis, June 15, to form a state safety commission and foster a statewide accident prevention program. The organiza-

tion of safety councils in each community will be sought.

## New Chairmen for Six National Board Committees

NEW YORK—Six of the standing committees of the National Board will have new chairmen the coming year. President F. A. Christensen has just released the personnel of the committees for 1945.

The new chairmen are: Gilbert Kingan, manager of London & Lancashire,

actuarial bureau; O. E. Lane, chairman of Fire Association, adjustments; C. D. McVay, president Ohio Farmers, construction of buildings; Harold V. Smith, president of Home, finance; James F. Crafts, Boston, first vice-president of Fireman's Fund, maps; George H. Duxbury, assistant manager of North British, public relations.

## Organization Meeting June 28

The executive committee will elect its chairman for the coming year when it holds its organization meeting here June 28.

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## Crop Adjusters Get Additional Gasoline Rations

WASHINGTON—On the basis that "growing crops damaged by hail or wind must be inspected promptly for maximum salvage," the OPA has liberalized gasoline rations for insurance adjusters to make trips to farms for this purpose.

Formerly, semi-preferred mileage, which is limited to 825 miles per month, was permitted for travel to farms to inspect storm damaged crops.

Preferred mileage rations, which are limited only by essential requirements, now will be provided for regular employees of insurance companies principally engaged in such adjustments. In addition, special rations as needed will be issued for persons temporarily employed in this work.

Insurance adjusters perform highly skilled services on these farm trips, OPA stated, such as determining the possibility of salvage and advising methods to restore the productive capacity of the area. Because much of their travel is to places that cannot be reached by public transportation, it is essential that the adjusters obtain sufficient gasoline for these needs.

The amendment adds a section to the ration order to read as follows:

"(8) By a person regularly employed on a full time basis by an insurance or adjustment company, for necessary travel to, from, within or between farms for the purpose of inspecting growing farm crops damaged by hail, wind or other storms if the inspection is necessary for the adjusting and settling of insurance claims based on such damage, and for necessary travel to a storm area and return for the purpose of making such inspections at farms. However, no mileage may be allowed under this subparagraph to a person while engaged in any activity other than storm damage adjustment work. No ration may be issued unless the applicant submits a statement from the insurance company setting forth the following information:

"(1) That the person for whom the application is made is a regular full-time employee of such company principally assigned to storm damage adjustment work, and

"(II) An estimate of the mileage needed for travel to storm areas and forms for making such inspections."

### New Connection for W. T. Reed

William T. Reed, who was manager of the Washington office of the National Association of Insurance Agents from its opening in 1934 until he left in 1943 to become general counsel of a utility company, has gone back into the production end of insurance with the Adkins & Ainley agency, Barr building, Washington. He was in agency work before going with N.A.I.A. More recently he represented Fred S. James & Co. at Washington.

### Reelect Kentner, Phillips

Fred W. Kentner has been reelected chairman of the New York Board and A. R. Phillips has been reelected vice-chairman.

### N. Y. Pond Outing June 19

The New York City Blue Goose will hold its outing and annual meeting Tuesday, June 19, at the White Beeches Country Club, Haworth, N. J. Dinner will be served at the club, followed by election of officers, committee reports and other business. There will be awards for golf, bridge and quoits and the traditional award offered by the most loyal gander.

An insurance institute is being formed in Edmonton, Alta., by the insurance agents' association of that city. Heading a provisional committee is M. B. Strong of Canadian Surety.

## Name Goodwin and Stott to N. Y. Insurance Board

Richard V. Goodwin, vice-president of Fireman's Fund Indemnity, and John C. Stott of Norwich, president of New York State Association of Local Agents, have been appointed by Governor Dewey as members of the New York insurance board. At the same time Governor Dewey reappointed Jesse S. Phillips of Great American Indemnity and James A. Beha, New York insurance attorney and former New York insurance superintendent, as members of the board.



J. C. Stott

Mr. Goodwin succeeds Aaron Rabinowitz, and Mr. Stott succeeds William H. Hotchkiss, former New York insurance superintendent.

Mr. Goodwin is vice-president of Association of Casualty & Surety Executives and vice-president of New York Board of Trade. Mr. Stott is vice-president of Norwich Chamber of Commerce.

Holdover members are President Matthew Woll of Union Labor Life and former Superintendent Francis Stoddard, New York lawyer.

## Texas Experience Figures Are Given

The Texas department has put out various fire insurance statistics for 1944 including underwriting experience by classes for 1944, underwriting experience for the five years 1940-1944 inclusive and premium and loss reports by companies.

Net direct fire insurance premiums in 1944 totaled \$29,587,033; losses paid were \$13,831,743, giving a loss ratio of 47. On brick protected the premiums were \$7,326,070, losses, \$4,474,569, loss ratio 61; frame protected \$11,099,631 and \$5,364,189, loss ratio 48; brick unprotected \$2,299,792 and \$1,060,757, loss ratio 46; frame unprotected \$8,861,540 and \$2,932,201, loss ratio 33.

The expenses paid in Texas for fire insurance were \$13,268,305, the ratio being 44.85. For windstorm and extended coverage the expenses were \$6,116,423, the ratio being 45.7.

Premiums for net direct windstorm business, including hail, were \$12,432,723, losses \$7,026,455, the ratio being 57. In inland territory the premiums were \$7,403,553, losses \$4,887,632, loss ratio 66. For the five-year period the total of net direct fire premiums was \$126,172,015 and losses \$56,848,424, loss ratio 45. Windstorm premiums were \$40,222,558 and losses \$35,394,928, loss ratio 88. For the fire insurance premiums on a gross direct basis the leaders were:

Home \$1,215,760; Hartford Fire \$1,039,763; Republic \$830,640; Springfield F. & M. \$806,580; Gulf \$748,061; Aetna Fire \$723,035; Trinity Universal \$676,677; Fire Association \$615,095; North America \$596,537; Hanover \$577,884; St. Paul F. & M. \$576,714; National Union \$538,301; Atlas \$501,332; U. S. Fire \$478,179; American General \$464,506; Millers Mutual Fire of Texas \$463,386; Continental \$448,204; National Fire \$405,979; Franklin Fire \$391,290; Fidelity-Phoenix \$369,166; Firemen's \$369,125; American Central \$361,523; Camden \$326,057; Houston Fire & Casualty \$322,114.

The total fire premiums of stock companies were \$27,379,872 and of mutual companies \$2,207,161. Each classification had a 47% loss ratio. The expense ratio of the stock companies was 45 and of the mutuals 37. In windstorm and extended coverage the stock company premiums were \$12,463,025, mutuals' \$920,051. The loss ratio of stock companies was 53 and expense ratio 47.

## Three Mich. Field Groups Elect; SWIS to Go on in State

The Michigan Fire Underwriters Association, Michigan Fire Prevention Association, and Michigan Blue Goose held their annual meetings in Detroit Tuesday, and the day ended with a Blue Goose banquet attended by 163.

E. R. Timberg, St. Paul Fire & Marine, was elected president of the fire underwriters' organization; George L. Stone, Home, vice-president, and William A. Gibson, Jr., North British, secretary.

E. C. Saulcy, Great American, was reelected president of the fire prevention group, and Robert Foster, Michigan Fire & Marine, vice-president; and William L. Schreiber, National Union, secretary, were renamed to those posts. F. R. Grosvenor, Fidelity & Guaranty Fire, was named assistant secretary, a new office.

The fire prevention association unanimously endorsed continuation of war plant inspections now carried on under the SWIS program. The continuation will be at state level and in cooperation with the Michigan state police.

R. E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, told the fire prevention group that with the cessation of the SWIS program, rising losses, reconversion, and the enormous storage of surplus commodities, it is essential to revitalize fire prevention activities.

E. B. Bystrom, independent adjuster of Detroit, was elected m. l. g. of the Michigan pond, succeeding C. B. Herrick, Loyalty group. Other officers are Walter R. Ewald, Detroit F. & M., supervisor; Clarence Hubbard, Home, custodian; L. Irving McKay, Northern Assurance, guardian; L. J. Gilmour, Continental, welder; and Lowell H. Clark, Northern of New York, keeper.

### Banquet Features

Albert J. Knaak, Connecticut Fire, acted as toastmaster at the banquet; Eugene G. O'Brien, Pearl, deputy most loyal grand gander, brought greetings from the grand nest and made several presentations; Duncan MacLean, Royal, awarded the golf prizes. Mr. Vernor, a deputy m. l. g. at large and past m. l. g. of the Michigan pond, installed the new officers.

George Smith, head of the arson division of the Detroit fire department, said fraud fires had been reduced to almost nil in Detroit. Speaking at the banquet, he warned field men that there are hundreds of small manufacturing concerns built up or born during the war which will face difficulties after the war. They will call for careful underwriting, he said.

### Mendola Hearing Postponed

NEW YORK—The New York supreme court hearing on Charles Mendola's suit to prohibit Superintendent Dineen from forcing him to stop selling insurance without a license has been postponed for two weeks. It was scheduled for June 12. Mr. Mendola, an agent of American Farmers of Phoenix, Ariz., contends that Superintendent Dineen's prohibition constitutes an illegal restraint on interstate commerce, in view of the Southeastern Underwriters Association decision. Neither Mr. Mendola nor American Farmers is licensed in New York.

There will be no jury, as both sides are agreed on the facts, the only question being one of law. The case will be fully argued before the court by A. W. Arnold for Mr. Mendola and Assistant Attorney-General McNulty of New York representing Superintendent Dineen.

The motion of Mr. Arnold for judgment on the pleading and the cross-motion of Mr. McNulty will be heard June 26.

The mutuals' comparable figures were 43 and 34.

## Witthohn Retires; Chubb & Son Officials Advanced

A. H. Witthohn is retiring July 1 as manager of the fire insurance department of Chubb & Son, and as vice-president of Federal and of Vigilant. He is the first executive to retire under the Chubb & Son pension plan.

Frederick W. Wrenn is named acting manager of the fire insurance department.

William A. Bonner and Charles S. Elder have been elected vice-presidents of Federal, and Robert E. Wallace is elected vice-president of Vigilant. Lee Orton was elected treasurer of the two companies, succeeding Mr. Elder.

Mr. Witthohn started with Globe & Rutgers in 1900. He became assistant secretary in 1917 and secretary in 1922.



A. H. WITTHOHN

in charge of all underwriting. He was elected vice-president in 1932 and the next year went with Chubb & Son as manager of the fire insurance department.

Mr. Bonner joined Chubb & Son in 1916 in the marine department. He was named manager of that department in 1940. Mr. Elder joined Chubb & Son in the marine department in 1917, previously having been connected with Hartford Fire and Providence Washington. He is chairman of the board of managers of the Tug Boat Underwriting Syndicate.

Mr. Wallace graduated from Centerville College in 1926 and then joined Chubb & Son. He served for a time as assistant manager at Chicago and in 1938 went to New York to be in charge of agency relations and business development.

Mr. Orton graduated from Princeton in 1926. He joined Chubb & Son in 1931, and has been assistant treasurer of Federal and Vigilant, and treasurer of U. S. Guarantee.

Mr. Wrenn has been with Chubb & Son since 1933, previously having been with Fire Association. He started with Rollins-Burdick-Hunter in 1916 and then was with Globe & Rutgers.

### New British Columbia Official

Stanley W. Taylor, an attorney, has become insurance superintendent of British Columbia, succeeding H. A. MacLearn, acting superintendent. Mr. Taylor has been in service overseas and has now been honorably discharged.

T. Alfred Fleming, conservation director of the National Board, fell from a second-story balcony of his home in Shaker Heights, O., and suffered a fractured thigh-bone. He narrowly escaped being killed. The fracture was so bad that an operation was necessary to set the bone. Mr. Fleming recently was written up in the "Redbook" magazine.

## COMPANIES

### Hanover Puts Agent on Board for First Time

NEW YORK—Herbert G. Fairfield, senior member of the Fairfield & Ellis agency of Boston, has been elected a director of Hanover and Fulton. He has represented Hanover since 1903. His agency is one of the largest in the country. It is the first time that Hanover has elected one of its agents as a director.



H. G. Fairfield

An alumnus of Massachusetts Institute of Technology, class of 1892, Mr. Fairfield worked as a civil engineer out a short time before entering the insurance business with the inspection department of the Associated Factory Mutuals. A year later he went to the New England Bureau of United Inspection and after two years entered the field as special agent for Merchants of New Jersey, subsequently becoming special and then general agent for Royal Exchange in 1899, which company he planted in New England. He entered the agency business in 1902, forming the agency of H. G. Fairfield & Co.

Mr. Fairfield is president and treasurer of the Old Colony Crushed Stone Company, the predecessor of which he organized in 1908. He is also trustee of Insurance Library Association of Boston, director Metropolitan Ice Company and trustee of the National Service Company.

### Bottimore Glens Falls Loss Department Head

Glens Falls has appointed William G. Bottimore as manager of the home office loss department. A graduate of Emory and Henry College and Harvard school of business administration, he has represented Glens Falls as a special agent for Virginia since 1925. He assumed his new duties under the supervision of Secretary John Kilpatrick.

### Allen Arranges Truman Trip

George E. Allen, vice-president of Home, has flown to San Francisco as President Truman's personal representative to make arrangements for the President addressing the united nations conference at its closing session, the latter in 1938 part of June.

Mr. Allen has been as close or closer as a political associate of President Truman since he took office than he was of the late President Roosevelt.

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## Cotton Insurance Loss for Season 50,000 Bales

Interest in cotton and cotton insurance has been aroused among a good many insurance men these days who ordinarily don't have much contact with that line because of their personal experiences in trying to buy a shirt to patch out their week's trip on the road and finding the only thing in stock is a blue French flannel creation at \$7.50.

The shortage of material, such as shirts, is said to be due largely to the stock piling of the army and navy, together with the fact that the mills are endeavoring as far as possible to specialize on the lines in which there is the most profit. Mills have been handicapped by shortage of labor, depreciation in machinery and lack of replacements. Deterioration of textiles under conditions existing in the Pacific islands is unusually rapid and this has placed an added burden upon the mills.

### No Dearth of Coverage

While the value of cotton in warehouses has increased considerably, there has been no dearth of insurance coverage. Most of the fire underwriters operate under requirements which confine the stock to not exceeding a stipulated number of bales in any one fire division, and through this means losses are held at a reasonable amount, barring conflagration.

Losses from fire have been unusually severe during the present season. At least 50,000 bales were burned and the monetary loss is in excess of \$5 million. Due to the ever present labor shortage, salvage returns have been more than disappointing. One large loss last summer involved between 14,000 and 15,000 bales with negligible salvage.

### Values Highest Since 1927

The flash flood this spring in Oklahoma following a cloudburst, wet and damaged about 14,000 bales. Lightning losses have been more frequent than usual and taking it by and large, the cotton problem has not been confined to the producers, merchants and the government.

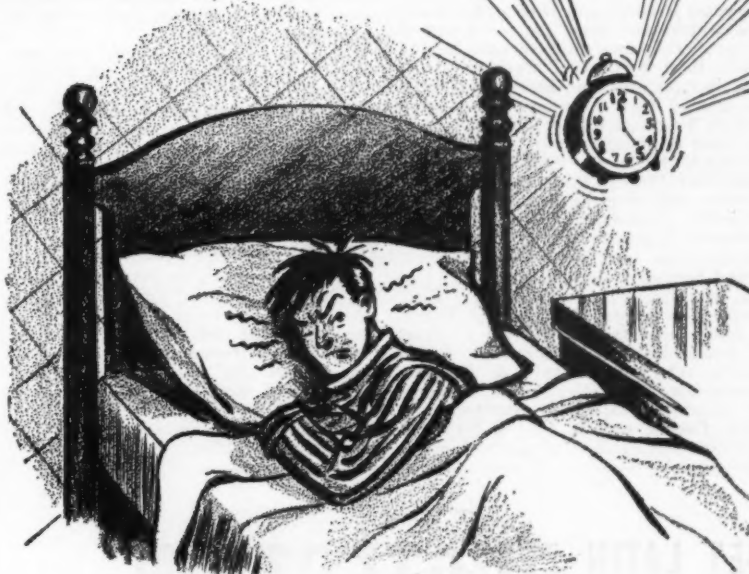
Values of raw cotton at this time are higher than they have been since 1927, and notwithstanding much talk of the world surplus, experts say the market does not reflect this. While the United States bids fair to carry over into the new season a stock of cotton equivalent to a year's crop, much of this is made up of undesirable grades and the desirable grades are hard to find.

### Much Held by CCC

Commodity Credit Corporation holds a stock of about 7 million bales which will be increased by a million or more bales July 31. Much of the good cotton in this stock has been culled out. The government purchase program has helped to sustain the market but at this time the market price is greater than that offered under the program. As to values next season, this is anybody's guess, but in view of the avowed intent of the government agencies to uphold prices, it is logical to assume that values will continue high. Foreign growths are at this time selling for \$30 to \$40 per bale under U. S. prices for similar grades, and it is obvious that this cannot continue indefinitely.

George Maxwell, special agent for Home in Iowa, has just left the hospital where he spent a week recovering from injuries received in a holdup. As he left a restaurant in Des Moines late one night a stranger asked him for a lift and Mr. Maxwell took him with him in his car. The man knocked him out and robbed him. Mr. Maxwell's injuries were rather severe, especially to his eyes, as the robber had smashed his glasses into his face and eyes.

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## Rate Making Is No. 1 Problem, New Mutual Head Says

BOSTON—The most important task facing the insurance business and state insurance commissioners during the next two years is development of a rate structure which will meet federal approval and properly serve the insurance buying public, Karl E. Greene, president Berkshire Mutual Fire, and president-elect of the Mutual Fire Insurance Association of New England, told representatives of the latter organization here. Mr. Greene succeeded Earle R. Horton, secretary Pawtucket Mutual Fire.

Other officers elected are: First vice-president, Commander Carl G. Gesen, secretary Manufacturers & Merchants Mutual, now on leave with the navy; second vice-president, Charles E. Hogan, secretary Middlesex Mutual Fire; secretary-treasurer, Raymond C. Baker, Newton, and assistant secretary, Ethel M. Pratt, Reading. Clifford A. Peterson, secretary Merchants & Farmers Mutual Fire, was elected to the executive committee for a four-year term.

Mr. Greene warned that if the business does not insure the moratorium pe-

riod set up by Congress "to get our house in order," insurance would "find itself being regulated from Washington."

In passing Public Law 15, Congress recognized that open rate competition might lead to rate wars and possible financial disaster for policyholders, which indicates that Congress would look with favor on laws which give the states the right to approve or disapprove rates promulgated by a rating organization.

"Selfishness and individual company considerations must be brushed aside. We must put our house in order. Mutual and stock company executives must sit down with the insurance commissioners and work out sensible rating laws, designed in the interest of the insurance buying public," Mr. Greene asserted.

### Women's Membership Gains

Results in the membership drive of the National Association of Insurance Women in the fiscal year, showed 53 clubs reported 600 new members acquired in the period of the 1944 drive Nov. 1-Nov. 30. In spite of war-time burdens and limitations, there has been no slack in the enthusiasm of the women's clubs. The membership committee was headed by Marjorie Hall, Syracuse.

## City Not Liable for Negligence as to Sprinkler

The city of Nashville is not liable for the negligence of a city employee which resulted in failure to supply water for a sprinkler system, thereby permitting a building to be destroyed by fire, the Tennessee supreme court has ruled. The decision reversed the court of appeals, upholding the trial court decision that the city cannot enter into a contract to prevent loss by fire but that its undertaking to extinguish fires "is a public service, not corporate, and the city is not liable for the negligent acts of its employees in respect to such undertaking."

The Nashville Trust Co., as executors for an estate, charged that the loss resulted from the city's failure to reconnect a water pipe after inspection fees had been paid, the pipe having been disconnected because of non-payment of fees.

### Chicago Board Golf Outing

Eight low gross golfers in the tournament at the annual supervising members outing held at Elmhurst Country Club sponsored by the fellowship committee of the Chicago Board will just soon for the board's annual golf championship prize. The time and place will be selected later. The prize to the winner will be a silver replica of the large golf cup which is permanently retained by the board and bears the names of the various winners.

The eight best gross scorers are: Edwin Rand of Eliel & Loeb 82; W. H. Stevens, Fred S. James & Co. 85; J. K. Walker, Moore-Case 86; W. R. Hummel 87; Kenneth S. Ogilvie, Cook county manager Norwich Union 89; H. J. Kralovec 89; Nels Ulseth of Bronson, Denney & Ulseth 90; H. M. Loeb of Eliel & Loeb 90.

In the handicap tournament under the Peoria system there were 94 playing golf. Charles Buresh, Fred S. James & Co., past president Chicago Board, won first with a 73 net score. The second low net winner was Edwin P. Simon of Critchell-Miller, and third low net, Roger Johnson of the Fred J. Sauter office. Blind bogey winner was A. L. Valentine of Baur, Christensen & Valentine agency. The first door prize went to Clem E. Wheeler of Hartford Fire.

There were about 130 attending the dinner at which G. A. Mavon, head of his own agency, was toastmaster and presented the prizes. All arrangements were handled by W. W. Hamilton, Chicago Board manager.

## Holds Hail Application Had Effect of Policy

An application for hail insurance on growing crops was held to have the effect of a policy in the case of Schnell vs. United Hail Insurance Company, a Nebraska assessment concern. The Nebraska supreme court affirmed the judg-

## D. R. Roberts Takes Post with American

NEW YORK—Donald R. Roberts has resigned as automobile and inland marine claim supervisor of London Assurance to go with American as loss department manager for the metropolitan and suburban department. Mr. Roberts started in the business 17 years ago with General Exchange. In 1929 he went to London Assurance in the automobile and inland marine underwriting department. Transferred to the loss department, he was made automobile and inland marine claims examiner and later claims supervisor for these two lines.

Mr. Roberts is president of the Automobile Claims Association and a member of the New York City Blue Goose. At American he succeeds Joseph Haran, who resigned some weeks ago to go with Browning Wells & Co., loss adjusters.

braska supreme court affirmed the judgment for insured.

Hail damaged Schnell's wheat, barley and bean crops. He had been called upon by the company's agent, and the latter took an application for hail insurance on these crops. The application provided that the insurance would become effective 24 hours after it had been executed in the presence of an agent and the application mailed to the home office. Schnell signed a promissory note in payment of the premium, and the application and note were mailed to the home office. No policy was issued.

### Limitation of Authority

United Hail contended that it had no contract with Schnell because the agent did not possess authority to insure bean crops, and the insurer notified Schnell on receiving application that he was not insured. However, the court held there was evidence supporting a lower court finding that the insurer did not promptly notify Schnell that he was not insured, supporting the theory that the application itself was in effect the policy since it contained all the necessary elements of a policy for hail insurance including the time that it should be in full force and effect to protect Schnell and bind the insurer. There was no evidence in the record of either actual or constructive notice to Schnell of any limitation on the agent's authority to take the application in the manner and form in which it was executed.—(3 CCH, Fire & Casualty, 489.)

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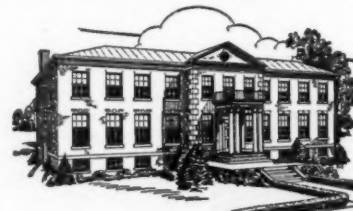
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## Minter Is New Virginia President:

(CONTINUED FROM PAGE 3)

clusion for "frequent use" of hired passenger cars. (2) Modification of the exclusion of damage to property owned by, rented to, or in control of the assured. (3) Liberalization of fleet policies to the extent that occasional use by a salesman or his wife on personal business or an emergency trip would be covered. (4) Legalization of a comprehensive automobile liability policy for individual car owners in Virginia at a modest increase in premium.

### Wants Better Definition

Many companies regard vacation use of hired cars as "infrequent," Mr. Baker observed. "Thus assured might hire a car and use it for 30 consecutive days on vacation and be protected under the standard policy. On the other hand, he might make regular monthly visits to another city involving only 12 days a year use of a hired car, and that would be regarded as 'frequent use' with protection excluded. It follows that the company or its adjuster must define 'frequent use' in each individual case and might be influenced by the size of the claim. Such uncertain ground is not altogether to our liking."

W. Owen Wilson, past state and national president, presented the legislative report.

Oscar H. West, former manager Virginia association, now in charge of the N.A.I.A.'s Washington office, spoke.

Membership of the state association now stands at 355. A drive now in progress is expected to increase the membership to 400. William H. Branch, Richmond, is in charge.

### Text of Decision in Okla. Premium Tax Case Given

(CONTINUED FROM PAGE 3)

tax on premiums received by it in Oklahoma during the preceding calendar year. That is to say, the licenses issued expire on the last day of February next after their issuance; and to obtain a renewal the company must pay on or before the last day of February in each year the gross premium tax on all premiums received during the preceding calendar year. We are told by the supreme court of Oklahoma that that has been the uniform administrative practice of the insurance commissioner since 1909.

### Assails Both 2% and 4% tax

In 1941 Oklahoma enacted a law, effective April 25, which increased the 2% gross premium tax to 4%. Okla. Stat. 1941, Tit. 36, § 104. Like the 2% tax, this new tax is applicable only to foreign insurance companies, not to domestic insurance companies. Appellant reported the gross premiums collected in Oklahoma during the calendar year 1941, paid the 4% tax under protest, and brought this suit to recover the amount so paid. Appellant challenged the constitutionality of both the 2% and 4% tax. The supreme court of Oklahoma allowed recovery of the taxes paid at the increased rate on premiums collected prior to the effective date of

the act, April 25, 1941. But it disallowed recovery for the balance against the claim that the exaction of the tax from foreign insurance companies while domestic insurance companies were exempt violated the equal protection clause of the fourteenth amendment. — Okl. — The case is here by appeal. § 237 Judicial Code, 28 U. S. C. § 344.

We can put to one side such cases as *Hanover Ins. Co. v. Harding*, 272 U. S. 494, where a foreign insurance company, having obtained an unequivocal license to do business in Illinois and built up a business there, was subsequently subjected to discriminatory taxation. In the present case each annual license, pursuant to the provisions of the Oklahoma constitution, was granted on condition (1) that appellant agree to pay all such taxes and fees as the legislature might agree on for foreign insurance companies and (2) that a refusal to pay such taxes or fees should work a forfeiture of the license. The payment of the gross premium tax on or before the expiration of the license year was always a condition precedent to the issuance of the license for the following year. Accordingly, appellant, unlike the foreign corporation in *Hanover Ins. Co. v. Harding*, supra, never obtained from Oklahoma an unequivocal license to do business there; it agreed to pay not only for the renewal but also for the retention of its annual license such taxes as Oklahoma might impose.

### Discriminatory Treatment

It has been held both before and after the fourteenth amendment that a state may impose on a foreign corporation for the privilege of doing business within its borders more onerous conditions than it imposes on domestic companies. *Paul v. Virginia*, 8 Wall. 168; *Ducat v. Chicago*, 10 Wall. 410; *Philadelphia Fire Assoc. v. New York*, 119 U. S. 110. But it is said that a state may not impose an unconstitutional condition—that is it may not exact as a condition an infringement or sacrifice of the rights secured to the corporation by the Constitution of the United States. The argument apparently is that since appellant is entitled to the equal protection of the laws, a condition cannot be imposed which results in its unequal and discriminatory treatment.

But that argument proves too much. If it were adopted, then the long established rule that a state may discriminate against foreign corporations by admitting them under more onerous conditions than it exacts from domestic companies would go into the discard. Moreover, it has never been held that a state may not exact from a foreign corporation as a condition to admission to do business the payment of a tax measured by the business done within its borders. See *Continental Assurance Co. v. Tennessee*, 311 U. S. 5. That was the nature of the tax imposed in *Philadelphia Fire Assoc. v. New York*, supra. That company was licensed to do business in New York under a law which required it to pay such a tax as its home state might impose on New York companies doing business there. After it had qualified to do business in New York its home state exacted from foreign corporations a tax of 3% on premiums received in that state. New York accordingly followed suit. The court sustained the increased tax, saying that since the license of the foreign company was subject to the conditions prescribed by the New York statute, the amount of the tax could at any time be increased for the future. "The state, having the power to exclude entirely, has the power to change the conditions of admission at any time, for the future, and to impose as a condition the payment of a new tax, or a further tax, as a license fee. If it imposes such license fee as a prerequisite for the future, the foreign corporation, until it pays such license fee, is not admitted within the state or within its jurisdiction. It is outside, at the threshold, seeking admission, with consent not yet given." 119 U. S. p. 119. And the equal protection clause does not

require the tax or rate of tax exacted from a foreign corporation as a condition of entry to be the same as that imposed on domestic corporations. *Hanover Ins. Co. v. Harding*, supra, pp. 510-511.

The fact that Oklahoma collects the tax at the end of the license year is not material. That was done in *Philadelphia Fire Assoc. v. New York*, supra. The controlling fact is that the tax though collected later was levied upon the privilege of entering the state and engaging in business there. *Continental Assurance Co. v. Tennessee*, supra.

### VA Corporation Rule Elastic

A service man planning to buy an interest in a local agency raises the question regarding the G.I. loan rule that prohibits buying stock of a corporation. The rule is not absolute and its purpose is to discourage loans for purely investment purposes. Although there has been

no ruling by the Veterans Administration in the Chicago area on whether or not a veteran can use a G.I. loan to buy stock in an incorporated insurance agency, the VA at Washington has approved the purchase by a veteran of stock in a bank because he had to own the stock in order to take a job as cashier. The main purpose of the G.I. loans is to aid veterans in establishing themselves in jobs and rules made by the VA which supplement the basic law are expected to be interpreted with that objective in mind.

### Presents Anderson, Ind., Award

Harry K. Rogers of the fire prevention department of the Western Actuarial Bureau presented the winner's award of the Inter-Chamber Fire Waste contest to the Anderson, Ind., Chamber of Commerce at a dinner there. The Anderson chamber won among 4th class cities.

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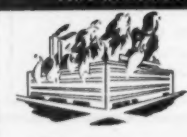
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## N.A.I.C. Central Office Proposal Well Received

(CONTINUED FROM PAGE 3)

be incorporated into the operations of the Council of State Governments at the University of Chicago, remains to be seen. That organization acts as a clearing house for information for state governments and other political subdivisions, and it serves as the headquarters agency for the Governors' Conference, attorney general association, etc.

With a central system in operation it would be possible to funnel these various reports and studies to the individual commissioners in the ordinary course, and the committees could have a much less hectic time of it at the meetings.

### Hungry For Information

Many observers believe that with the many momentous problems that have to be solved in the realm of insurance government in the immediate future, and with the pressing need for uniformity in many directions, a system of regular exchange of information and a central source to which inquiries may be addressed, is today a necessity. The insurance commissioners are hungry for information about what this state or that is doing, about pertinent court decisions, and projects that are under way in various parts of the country. Various states have enacted legislation creating interim committees to study the whole insurance situation with the idea of enacting proper legislation in 1947. In other states the insurance commissioner has been instructed to make a thorough survey and report to the legislature. In the state of Washington the commissioner has been instructed to draft an insurance code for submission to the legislature in 1947. In connection with the outbreak of the premium tax litigation, each commissioner is interested not only in actual court decisions but they want to know the probable timetable, in what states the issue is going to get to the courts first, so that they can prepare themselves accordingly.

A great many studies are going forward by committees and subcommittees of the N.A.I.C. and by various industry groups in many fields. The task of seeing that each state is promptly supplied with copies of these studies is considerable.

At commissioners' meetings frequently action has to be postponed because certain data is released for the first time at that meeting and the various commissioners have not had an opportunity to study it or have it analyzed by proper specialists in their department. As a case in point at the St. Paul meeting an accident and health sub-committee brought out its recommendation for changes in the official guide for passing upon accident and health policy filings. That report had not been previously communicated to the individual commissioners and for a time it appeared that action could not be taken at St. Paul because of the desire on the part of certain commissioners to make a detailed study of the proposals. However, in that case the final decision was then and there to go over the recommended changes line by line and to have a full discussion.

### Must Postpone Decisions

The commissioners at their meetings accumulate a great mass of papers and because they don't have a chance to digest the material at that meeting, the decision usually has to be to refer the matter to a committee or sub-committee, with instructions to report at a meeting six months hence. Then at the later meeting there are apt to be a lot of questions of current importance that produce a lot of new papers and the matters advanced six months previously sometimes cannot be fully explored and there is further delay. It is nobody's fault that much of this material is not disseminated prior to the meeting. It is simply a case

of various committees and subcommittees and industry groups having done their work with the deadline of the meeting in mind, and being unable to report until the last minute.

The atmosphere at St. Paul was in sharp contrast with that which prevailed at the Chicago convention in 1944, at the midwinter meeting and at all of the meetings of the executive committee and federal legislation committee that have been held during the past year. The association, its members and the industry people had gotten over the shock of the S.E.U.A. decision, and they found, actually to their surprise, that at this point there was little to be said or done in connection with the federal issue. The various issues had become well illuminated, and the commissioners were able to get down to the type of questions with which they were accustomed to dealing prior to the time that the knockout blow the S.E.U.A. decision was delivered. It was not that there was any feeling of complacency or any notion that the problems had been solved, but simply that at this juncture there was little that could be done.

### Prosecution Complex

Due in part at least to the challenge to the state system implied in the current situation, there has developed on the part of a number of commissioners what is frequently referred to as a prosecution complex. That is, some of the commissioners erect a barrier between their offices and the industry and deal with the industry at arm's length. Some of the commissioners of this type frown on fellow commissioners who are more informal in their relationships with the industry groups, and whose views coincide commonly with those of the industry and there is apparent something of a cleavage.

The development of what at times seems almost like an anti-company reaction on the part of some of the commissioners is distressing to some of the insurance people. The exchanges at times are sharp, and the company people don't relish the role of defendant at so many turns. They feel that there must be the utmost good faith and free interchange of ideas if the system of state supervision is to be preserved in its entirety after the end of the federal moratorium period in 1948.

There is no disposition on the part of the companies to threaten to look to Washington for insurance regulation, as a means of bringing the insurance commissioners to tow, but there is a feeling on the part of a number of industry representatives that the problems that exist cannot be solved without some measure of federal regulations. There is every disposition to cooperate to the utmost in an endeavor to adapt the present system to the federal picture, but some are predicting that sooner or later the commissioners and the industry will come to the conclusion that affirmative federal action may have to be requested. In the field of fire and casualty rate making, the problem of conforming the state law and administration to the federal requirements, and at the same time

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preserving to various segments of the industry the opportunity to compete along accustomed lines, seems as far from solution as ever. It may be that it will be in this area that the commissioners and the industry will have to decide to toss in the sponge and go to Washington for legislation. If that is done, it might very well lead to other proposals for federal intervention. For instance, there are company people who would not be averse to federal examination of insurance companies operating on an interstate basis. Such an examination they feel would be far less costly and would have exceptional prestige. However, it seems entirely unlikely that any element of the industry will bolt and come out for federal regulation until every possibility of keeping intact the present system is exhausted.

#### May Have Agreed Basis

When and if the time comes that some measure of federal regulation seems to be the only answer, then undoubtedly an attempt will be made to present the matter to Congress on a basis agreed upon by the state supervisors and the industry.

The election situation at St. Paul aroused considerable interest, but nothing resembling a formal contest developed. J. M. McCormack of Tennessee who had been vice-president, was elected president while he was confined to the hospital. He was stricken with an abdominal complaint Monday evening of convention week, and was not able to leave his room. The next day he was taken to St. Joseph's Hospital at St. Paul. The plan was for him to go from there to Rochester, Minn., to go through the Mayo clinic to ascertain the exact nature of his disorder.

E. L. Scheufler of Missouri, who was elevated from chairman of the executive committee to vice-president, has commanded increasing respect for his ability. He is likened by many to Wendell Willkie, not only because of his appearance but because of his manner. Mr. Scheufler's term as insurance superintendent runs out June 30, and since he is a Republican and the governor is a Democrat it had been assumed that he would be singing his swan song at St. Paul, and would not be in line for the vice-presidency. However, the possibility appeared that the Missouri governor may not appoint a successor immediately, and Mr. Scheufler may continue in office for some time. Hence, he was advanced in association office. The election of Seth Thompson as chairman of the executive committee was well received. He is a man with an insurance background, he is well posted and his judgment is respected, and he is forceful.

Mr. Johnson, as the retiring president, becomes vice-chairman of the executive committee. The three members of the executive committee elected at large are Maynard Garrison of California, Robert E. Dineen of New York and William P. Hodges of North Carolina.

The zone representatives on the exec-

## Pass Ohio Rating Bill After Defeat

COLUMBUS—The Ohio house passed by a vote of 80 to 22 the Metzenbaum rating bill. Last week the bill was defeated 58 to 53, 11 votes shy of the required number, but that vote was reconsidered. The bill gives the insurance department authority over fire and windstorm rates. It was endorsed by virtually all fire insurance groups. The policy committee of the Ohio Association of Insurance Agents has approved the bill in its present form. J. C. Neer, one of the authors of the bill, is a local agent at Urbana.

A bill which permits insurance agents to be deputy registrars for the sale of driver's licenses is pending in the house rules committee. Local agents oppose the bill on the ground that it would permit the abuse of public office by authorizing the solicitation of insurance by a public official.

#### Installment Sales Bill

The installment sales bill is still in the hands of the house rules committee. Insurance agents are opposed to the bill as it calls for the procurement of insurance by vendors in conflict with the agents' qualification law. Senator T. M. Gray said that insurance men "are sympathetic to the problem involved, but believe that the proper approach to it would be through proper regulation of the discount business." Through the efforts of insurance agents an amendment has been inserted in the measure stating: "No provision of this act shall be construed to impair the authority of the superintendent of insurance to grant, renew or revoke licenses, nor shall this act be construed to authorize anyone other than a licensee of the division of insurance directly or indirectly to receive any amount of the part charged for insurance in connection with any retail installment sale."

utive committee are: Allyn, Connecticut, zone 1; Neel, Pennsylvania, zone 2; Larson, Florida, zone 3; Forbes, Michigan, zone 4; Kavanaugh, Colorado, zone 5, and Holmes, Montana, zone 6.

The entertainment and the convention facilities arranged by the Minnesota hosts were highly praised. They were careful to avoid providing entertainment that would interfere with the conduct of association business, but each evening the group was entertained in an especially distinctive way. Also there was provided a headquarters suite which turned out to be a central meeting place, and an excellent spot for informal conferences. Abundant stenographic facilities were provided. The arrangements for the press were the best that had ever been furnished. All of the meeting rooms were on the lobby floor of the St. Paul Hotel, and the circulation was ideal.



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## EDITORIAL COMMENT

### Multiple Line Lichtenstein

The announcement that Joy Lichtenstein of San Francisco, manager of Hartford Fire, Hartford Accident and the entire Hartford group, plans to retire from service Jan. 1 brings to mind the fact that some years ago he was the leading example in this country of an official who had mastered both the fire and casualty lines. Up to that time we had not followed the British system of having executives multiple line men who were as familiar with one as the other. Mr. Lichtenstein was trained at the start in the surety and casualty field. He started his career with the old American Bonding of Baltimore. He left American Bonding in 1910 and helped organize the surety department of Pacific Coast Casualty of San Francisco. Two years later he went with Globe Indemnity as manager for its surety department for the Pacific Coast. Later he became Pacific Coast manager for Hartford Accident. In due season he took over the Pacific Coast manage-

ment of Hartford Fire and its auxiliaries. He had thus become infused with casualty and surety underwriting in his earlier years but equally enthusiastically he took up the fire business and in time became an authority of equal importance in the fire field. His appearances at insurance gatherings where he discussed one or the other of these great departments of insurance always were met with hearty response by those who listened to him or read his observations.

Thus it might be said that so far as the upper bracket executives were concerned Mr. Lichtenstein paved the way for later years when more people mastered both sides and achieved success. Undoubtedly this tendency was due to the fact that local agents had to know fire insurance and its branches as well as casualty and surety. Mr. Lichtenstein had paved the way and demonstrated the possibility of this combination. It has been a very fortunate development in insurance administration.

### Reserves on Term Business

It is a timely warning which E. J. Weiss, president of Reliable Fire of Dayton, issued the other day. The danger is that agents will not establish proper reserves to offset the anticipated shift from long term policies back to the one year variety. The amount of term business being written today is abnormal, and much of it will revert to one year policies later on. Some of the agents enjoying three and five year commissions may think their income has increased more than it actually has. Many of them have taken on financial obligations on the basis of commissions from longer term business, and when the big shift back to one year contracts comes, there can be expected another wave of delinquent balances with the wreckage of good agencies that always follows in its wake.

Some agencies may have provided for the problem. If not, the agent should divide the commission on three and five-year business into three or five equal parts and put all but one of the parts into a reserve, using one share for current operations and profits. He could then draw down the portion of the reserve in each future year in which it is properly earned.

Unless he does this, any appreciable shifting of business as to term will leave him on a reduced income which may not be sufficient to keep him going. He may also run into return commissions. Dur-

ing the past few years of prosperity a number of people have purchased personal and business insurance as far in advance as possible because they had the money available and feared they might not have it in a year or two or three. If such a buyer runs into difficulties, he may well call upon the return premium, even at short rate, to help him out of his difficulties, and the agent who has spent the commission on the five-year business will have to dig somewhere for the return commission. He may not find it available and if not, then he is in difficulty.

Some insurance buyers have deliberately purchased five year policies, as a means of building up a reserve. While even on a large premium the return at short rate half way through a five year contract may not be very large in comparison with the volume the man has been doing, in case of businesses that have mushroomed because of the war and that will be cut back after the war to a small size, it may well mean a considerable amount in dollars. To the agent who has not established reserves on such business, it may well mean a crisis in his operations.

The establishment of such reserves should in practically all cases take care of reductions in insurable values, with its reflection in the agent's commission earnings. This reduction is certain to come. While it may not amount to a

great deal percentagewise, it could, added to the demand for return commissions and the lower level of total income due to the change over from long term to annual contracts, be enough to sink the agent's boat.

The companies have a vital stake in the matter. They could lose some good agents the hard way. It must be remembered that the shift to long term policies has been gradual, and the agent may not realize how large a portion of his business now is represented by this

type of contract and that this year he is spending some commissions which properly speaking he will not earn for another two or four years. It is possible that the agent may not know what is happening to him when it does happen. All he will know is that his income has declined below the level to which he has become accustomed and on which he has based his spending, in business and out.

It is not too late to start setting up such reserves, but it is by no means too early to do so.

## PERSONAL SIDE OF THE BUSINESS

**Edward J. Weiss**, president of Reliable Fire of Dayton, has been elected president of the Civitan Club there.

**F. H. Witmeyer**, vice-president of Excelsior, has been elected president of the University Club of Syracuse.

**George Morrissey**, chief of the army engineers insurance section, Washington, has been taking the rest cure for the past month on advice of his physician.

**Harold E. Holtz** of Topeka, Kansas-Missouri state agent of Millers National, is celebrating the completion of 25 years with his company June 14. He has been eight years in his present field. He started with the western department of Connecticut Fire in Chicago 32 years ago.

**Robert L. Bowen**, superintendent of insurance of Ohio 1935-39, is now with Northwestern Mutual Life in Oakland, Calif.

**Harry B. Brown**, Northwestern National state agent at Wichita, is a grandfather, a seven-pound son having arrived at the home of his younger daughter, Loneta, wife of Lt. (j.g.) Leroy C. Stokely of the navy air transport service.

**R. J. Mayle**, vice-president and treasurer of Pacific National Fire, San Francisco, has been elected grand president of the Young Men's Institute, international Catholic men's organization. Mr. Mayle has been a member of the Y.M.I. 26 years and started up the line in its official family in 1941. He has been with Pacific National 17 years.

**Lakin Meade**, secretary of the Meade Company, Topeka agency, was the owner and trainer of pigeons that took both first and second place in a race from Waco, Tex., to Topeka last week. In winning first place in a recent race from Oklahoma City, his bird established a new record for that part of the country with a speed of 73 miles per hour.

**Lt. Col. John A. Buxton**, who has been executive officer at Fort Snelling during the war, has been released from the army and will resume his duties as president of Implement Dealers Mutual, Owatonna, Minn., about July 1.

**James Cozzie**, who is connected with the Associated Aviation Underwriters in the head office in New York City, went to Chicago to attend funeral services for his father.

**J. Clifford Smith**, Albion, Mich., local agent, was elected grand commander of

the Michigan commandery, Knights Templar, at the annual conclave in Flint.

**Allen E. Hendricks**, president of the Hendricks Engineering Corporation, Ridgewood, N. J., will be in the Chicago office of the firm about 10 days beginning June 23. While in Chicago he will interview applicants for engineering posts with the company, which has under way an expansion program.

Hartford Fire gave a luncheon in St. Louis in honor of **Paul Robyn** of the Insurance Agency Company and presented him a watch to commemorate 50 years' representation of the company.

**E. G. Frazier**, resident vice-president of Springfield F. & M. at Chicago, is on a two-weeks business trip to Texas.

## DEATHS

### Secretary Lynn Horton of Adjusters Group Dies

**Lynn A. Horton**, proprietor of the Horton Claim Service of Oklahoma City, died there early Monday. He had been at home for about six months seeking to recuperate from a series of heart attacks which started two years ago.

Mr. Horton was secretary-treasurer of the National Association Independent Insurance Adjusters, and its past president. He also was editor of the association's monthly organ, "The Independent Adjuster," and continued to edit it from his home and handle his other association duties. He had been an independent adjuster for many years and previously was a claim man at a company home office. The services are to be held Thursday in Oklahoma City.

### Meet Soon to Name Successor

A special meeting of the association's directors probably will be called soon to name a successor or temporary secretary-treasurer. The annual meeting set for Philadelphia this month was called off because of the ODT convention ban. Mr. Horton was 47 years of age.



Lynn A. Horton

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PUBLISHED EVERY THURSDAY

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was a native of Wheelock, Tex., who went to Oklahoma City in 1908 and had been actively engaged in insurance for many years.

**Mrs. R. J. Andrews** of Sioux City, Ia., died there. She was the widow of R. J. Andrews, who established one of the first agencies in Sioux City in 1888, and who was active in forming the local agents' association. A son, Guy W. Andrews, served as president of the Iowa association in 1923. He died in California in 1941. Another son, Robert S. Andrews, was president of the Iowa association in 1942-43 and served several terms as head of the Sioux City Board. He heads the Andrews Agency in Sioux City.

**John L. Tiernon, Jr.**, 72, president of Tiernon & Co. of Buffalo for more than 40 years and resident vice-president there of Fireman's Fund Indemnity, died in Boston where he had gone for a physical checkup. He was the first Buffalo representative of New York Life, served as manager of Travelers in Buffalo and Hartford, then as agency director for eastern Massachusetts. He organized Tiernon & Co. in 1904. He was a vice-president of the Insurance Federation of New York, past president of the New York State Association of Local Agents and Buffalo Association of Fire Underwriters and prominent in former years in the N.A.I.A.

**W. P. Isham**, veteran local agent of San Jose, Cal., active in association work, died there.

**Henry N. Odell**, 62, an adjuster for Western Adjustment since 1923 when he joined that organization in Indianapolis, died at his home in Evanston following an illness of two weeks. For a number of years he had been associated with the Cook county office of Western Adjustment. His father was Isaac Odell, who had an adjusting firm in Evansville, Ind., for many years. Henry Odell was an adjuster with his father until the latter sold to Western.

**Frank Payne**, 49, special agent of National of Hartford in Illinois with headquarters at Springfield, died at his home there. He had been with National in the Illinois field since 1929 and previously was with American Central in same territory. At one time he served on the executive committee of the Illinois Fire Underwriters Association. He had been ill off and on for the past 1½ years.

**Fred G. Clarke**, Seattle attorney, who was representative of the National Board, Pacific Board and Washington rating bureau in Washington for many years and handled much of the important fire insurance litigation in the state, died unexpectedly Monday at the age of 65. He was well known in his field. He was the one that handled the Tacoma bridge loss for the companies. His home was originally in Iowa and his father, George W. Clarke, was at one time governor of that state.

**John F. Connors**, 45, office manager for the Dooly & Co. agency, Portland, Ore., died there after two weeks illness. He began with Dooly & Co. as an office boy in 1917. In the former war he served in the navy.

**Andrew T. Listug**, former state representative, a local agent at Wolf Point, Mont., died there. Before entering insurance he was for many years a Wolf Point banker.

**Carl A. Geisheider**, 57, former well known local agent at Steubenville, O., died unexpectedly at Long Beach, Cal., where he had resided for the past 17 years. Until he left for the west coast he was associated at Steubenville with his brother, G. A. Geisheider, and also with R. L. Stuart and until he left, the agency was known as the G. A. Geisheider Co. After his withdrawal from that firm, G. A. Geisheider's son, George F., was admitted and the agency has since been known as Geisheider, Stuart & Co.

At Long Beach Carl Geisheider was engaged in the local agency business but during the war had been connected with an airplane company.

**Gabriel Di Fiore**, 67, special agent in

charge of the arson department of the National Board at Pittsburgh, died in Pittsburgh hospital. He had been connected with the National Board 10 years at New York and Pittsburgh.

**Thomas Jensen**, for more than 40 years a local agent at El Reno, Okla., died suddenly there. He had been in ill health for some time. Mrs. Jensen will continue the agency.

## IN U. S. WAR SERVICE

**Lt. John B. Johnston** of the army air force, who was associated with Marsh & McLennan at New York before he entered the service, has returned to New York after his liberation from a prison camp in Europe. He was taken prisoner after his bombing plane was disabled during an attack on Germany in December, 1943. Despite his experiences, he is in good physical condition.

Prior to his departure overseas, Johnston was married to the former Miss Emma Davidson Smith, daughter of Harold V. Smith, president of Home.

**Cliff C. Jones, Jr.**, son of the president of the R. B. Jones & Sons agency at Kansas City, was aboard the destroyer, Luce, which was lost off Okinawa. Lt. Jones was gunnery officer on the ship. He is on leave visiting his parents. He said when the order to abandon ship was given, it was partly under water, but every gun was firing. He stepped from his battle station into the water.

**Lt. Milton Wesley**, former state agent of the Garrett general agency at Tulsa, Okla., has been assigned to the army base at Great Falls, Mont., after more than two years at the Sioux Falls army air base. At his new headquarters, Lt. Wesley will handle disability and insurance settlements.

**J. M. Hayes**, manager of the Lloyds department of the Victor Montgomery General Agency, Los Angeles, has been inducted into the army. Assistant Manager James M. Collins is handling his duties during his absence.

**Maj. A. S. Wright, Jr.**, who was special agent for Florida of Hartford Fire with headquarters at Deland before Pearl Harbor, is visiting his family in Richmond while on furlough after 33 months of continuous service in the southwest Pacific area. He has been with the engineering corps of the army. He plans to resume his connection with the Hartford in Florida when he gets out of the army.

**Lt. Lucien L. Lucas**, formerly casualty assistant of Maryland Casualty in Kansas City, received a "battlefield promotion" to first lieutenant for "courageous leadership and outstanding performance in actual combat." He has been serving in the European theater.

**Lt. (j.g.) R. J. O'Neill**, former state agent for Detroit National Fire in Michigan, is home on 30 days leave. He is in an armed guard on a tanker in the South Pacific.

**Sgt. Horace W. Houd, Jr.**, whose father is field man for Firemen's in Minnesota, has been released from a German prison camp. He was a waist-gunner on a B-17 flying fortress in the 8th army air force. He was shot down over Germany April 8.

**Ward V. Beauchamp**, special agent of Home in northern Illinois, and active in the Illinois Blue Goose and Illinois Fire Underwriters Association, is completing his boot training at the Great Lakes Naval Training station near Chicago.

**Capt. William F. Johnson**, who in civilian life is Illinois special agent of Hanover, is returning to his post in Puerto Rico, having completed a leave after attending a command and general staff school at Fort Leavenworth. Most of the time during his leave he was at his home at Minneapolis but this week he went to Chicago to visit his friends at Hanover and among the Illinois field men. He was a reserve officer and entered the service in January, 1941.

## Ill. Legislature Moves Into Its Final Stages

SPRINGFIELD, ILL.—By this weekend it is customary for Illinois legislature to strike all bills that are left in committee. Hence, any measures that have not received committee approval by then are as good as dead.

The auto financial responsibility bill patterned after the New York-New Hampshire model passed the senate Tuesday.

The department-sponsored measure which is similar to the New York law governing credit for reinsurance reserves has already passed the senate. Under this bill a direct writing company would get no credit against its premium reserve liability, for reinsurance ceded unless the reinsurer agrees in the event of the insolvency of the reassured to settle its liability on the stated value of the claims and losses rather than on the amount actually paid to the assured or claimant by the receiver.

The department sponsored bill to eliminate the statutory fire policy and instead give the insurance director authority to prescribe the form that shall be used is on third reading in the house.

The department-sponsored bill to remove the restriction limiting to 10% the amount of any one bond issue that any insurer may take, and authorizing insurers to invest in G.I. loans, has passed the senate and received a pass recommendation from the house insurance committee.

## Auto Finance Promotional Matter Issued by Security

An attractive blotter and folder featuring the caption "Before You Buy Your New Car Make Your Own Deal" have been issued by Security of Connecticut. In urging agents to make arrangements with local banks in regard to financing new automobiles, David T. Condon, automobile department manager, points out that premiums for bodily injury liability and property damage coverages should be included in the financing.

"Most banks are only too willing to work with you if you refer your clients to them," Mr. Condon points out. "The only problem will be to make adequate arrangements for speedy loan and insurance service. This plan simply will not be successful if the auto buyer has to make several trips to the bank and insurance agency to complete arrangements, or if he has to wait three weeks while the bank makes up its mind."

It is also essential that clients and prospects be informed that this service is available. The folder and blotter points out that "A good local credit reputation is valuable to you. There is no red tape; you'll find your banker eager to serve you; we, your insurance agency, have no interest other than supplying you with the best insurance, at the lowest price consistent with reliable insurance, and fast loss payment service when it is required."

## Lukis, Stewart Promotes Wood

Lukis, Stewart & Co., Montreal, has appointed Charles H. Wood assistant vice-president. Mr. Wood has been with the firm for 11 years as manager of the fire department. He has spent his entire business life in the insurance field, except for two years in the first world war, when he served in the Royal Air Force as 2nd lieutenant.

**Gordon H. Casper**, special agent of Caledonian in New Jersey, has been inducted into the armed forces. He has been with Caledonian in the Syracuse and New Jersey territories since last September and before that was with Fester, Fothergill & Hartung in New York City. He is a son of Harry G. Casper, retired United States manager of Eagle Star.

The luncheon bridge of the Blue Goose auxiliary of the Heart of America pond was sponsored by Mrs. Alex B. Young and Mrs. Walter Scott, Jr.

## THE PHOENIX-CONNECTICUT GROUP of Fire Insurance Companies



**The Phoenix**  
Insurance Company, Hartford, Conn.  
1894

**The Connecticut**  
The Insurance Company, Hartford, Conn.  
1890

**FOUITABLE**  
Fire & Marine Insurance Company  
Providence, R.I.  
1890

ATLANTIC FIRE INSURANCE CO.  
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.  
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.  
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.  
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA  
Montreal, Canada

★  
HARTFORD  
30 Trinity Street

CHICAGO  
Insurance Exchange

NEW YORK  
110 William Street

SAN FRANCISCO  
220 Montgomery Street

MONTREAL  
485 McGill Street



All Forms of Fire and  
Property Insurance including  
Ocean and Inland Marine  
Country-wide Brokerage Service

TIME TRIED & FIRE TESTED



## ... EVERY DAY DURING 1944



**749 Homes or Offices Were Burglarized**



**2176 Larcenies Were Perpetrated**



**120 People Were Robbed**



**555 Automobiles Were Stolen**

The Federal Bureau of Investigation, in its latest bulletin of Uniform Crime Reports, states that in 1944, during each day, 2,176 larcenies were perpetrated, 749 homes or places of business were burglarized, 555 automobiles were stolen, 120 persons were robbed.

The FBI bulletin further reveals that thefts involving property valued at \$50 or more increased 22.9 per cent in 1944 over 1943 and that the number of burglaries also increased. The average value of property stolen increased 19.6 per cent for robbery, 30.6 per cent for burglary and 17.0 per cent for larceny. And note this: Only 24.1 per cent of the property stolen was recovered.

***What more convincing evidence of the need for Insurance?***

### **ÆTNA CASUALTY AND SURETY COMPANY**

AFFILIATED WITH ÆTNA LIFE INSURANCE COMPANY

AUTOMOBILE INSURANCE COMPANY  
HARTFORD



STANDARD FIRE INSURANCE COMPANY  
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## Job Cover May Forestall W. C. Claims in Layoffs

### Abnormal Rise in Group A. & H. Claims May Also Be Prevented

NEW YORK—Unemployment insurance appears to be responsible for preventing the numerous claims for workmen's compensation that it was feared would result from large-scale layoffs in war industries. It is also serving to forestall an abnormal rise in claims under group accident and sickness policies. It was anticipated that these also would react unfavorably to layoffs.

It is possible that the availability of other jobs has been a factor but it is worth noting that unemployment insurance claims have been prompt and numerous following layoffs and it is natural to suppose that there would have been a decided bulge in "comp" and in group sickness claims were it not for unemployment coverage. The most notable example has been at Bell Aircraft at Buffalo where some 8,000 employees out of a total of about 15,000 were let go as a result of cutbacks. No abnormal rise either in workmen's compensation or in group accident or sickness claims resulted from this drastic curtailment, which is the greatest to date in percentage of employees dropped and probably also in number of those laid off.

### No Duplication

Fortunately, unemployment insurance laws, which provide for 21 weeks' compensation in New York and an average of about 17 in most other states, do not permit duplication of unemployment insurance benefits and workmen's compensation or accident-sickness coverage. The unemployed workman must certify that he is physically able to accept a job. Hence the receipt of benefits under workmen's compensation or accident-sickness plans would almost always make him ineligible for unemployment insurance benefits. Conversely, an insurer would not ordinarily be obligated to pay either workmen's compensation benefits or accident-sickness claims if a worker had certified himself to be physically fit and was receiving unemployment compensation.

It is quite natural that the workman who is laid off should turn first to unemployment compensation. He is legally entitled to its benefits and need indulge in no fakery or even exaggeration in order to collect. The benefit period is longer than he would be entitled to under group-accident sickness and in most cases workmen's compensation as well. The benefit per week, as much as \$21 in New York state, is higher than he probably would get if he tried to collect under workmen's compensation or group accident-sickness.

### Not Too Optimistic

Casualty claim men are not letting their optimism run away with them but they have hopes that the lengthy interval during which unemployment compensation will be paid will be a decided deterrent to former employees who are unable to find work after their unemployment compensation runs out and who might think of trying to cash in on their workmen's compensation or accident-sickness coverage by contending that their ailments were the result of

## Average Rates, Then Mileage Basis, Held Likely After War

NEW YORK—Temporary suspension, perhaps for a year or so, of mileage or occupational differentials in B.I. and P.D. passenger car rates after wartime gasoline restrictions have been entirely removed seems probable at this juncture, though the thinking that is going on in this field is far from being crystallized into any definite plan of rating.

Reverting to an average rate for all passenger cars in a given territory would not mean abandonment of endeavors to have the rate reflect differences in exposure within a territory. It would merely be done because of the lack of significant statistics on which to base rate differentials. Use of average rates for a time would permit the accumulation of experience data on which mileage or occupational classes could be based.

### Competition May Affect Moves

Competitive considerations, however, may alter this picture. If non-bureau companies have a basis they believe will assure them adequate rates and which will be acceptable to state rating authorities, the bureau companies are not likely to stick with an average rate and lose business to competitors with a mileage or occupational differential.

There are two reasons why this type of competitive weapon may be relatively unimportant. First, because of the S.E.U.A. decision and the federal insurance act many more states will be exercising control over insurance rates and wanting data to support proposed rating plans. Second, all rates will be inadequate for some time after restrictions are removed, hence any company that cuts below the standard rate will be cutting below levels admittedly insufficient.

The reason that no carrier's rates will be adequate is that rates are so low now that it is generally conceded that it will be impossible to get them back immediately to where common sense says they should be on the basis of conditions approximately the same as prevailed before the war. The A card rate would have to be doubled on the basis of experience in the years prior to the war and it seems impossible that any such increase would be permitted until there has been a considerable period of normal postwar experience on which to base subsequent rates.

No one sees any possibility of a return of the safe driver reward plan. It was good for holding business but because it was contingent on a no-claim record and was not payable until the end of the policy year it lost much of its attraction in competition with advance discounts not based on claimless records. Also complexities of handling added to its drawbacks.

It seems likely that efforts to underwrite the driver will also be dropped,

their employment of many weeks previous.

Such a worker would be in the position of having perjured himself by certifying himself to have been in good health during the time he was receiving unemployment compensation. His newly discovered illness or injury would certainly appear in a very suspicious light. Conceivably it should make even a fairly unscrupulous ex-employee think twice before attempting to cash in at such a late date on his workmen's compensation or group accident and sickness coverage. On the other hand, if the unemployment coverage were not immediately available the flood of "comp" and group accident-sickness claims that had been anticipated would very likely be already materializing.

except of course for turning down those with extremely bad records. Even the representation that driving will be done only by persons at least 25 years old will probably be dropped as a basis for a rate credit. There is no doubt that the age of drivers has a material bearing on experience but its value as a rating factor is pretty much outweighed by the added complexity it introduces and the uncertainty that the representation will mean very much, as the amount of money that can be paid for an inspection of these risks is too small to unearth complete information on who drives the car and how much it is driven.

It looks as if efforts will be made to return to the mileage basis, even though it may take some little time to develop the data to support rate differentials based on mileage. Mileage is a big factor in exposure, despite all that is said about the superior skill of the driver who is at the wheel constantly as compared with the Sunday driver who may forget during the week which is the brake and which is the accelerator. As against the skill of the driver who is constantly on the road there is not only the added exposure but the tendency, natural to anyone with many miles to cover, to drive at the top speed he thinks safety—and the police—will permit.

### Occupation Is Secondary

Occupation is not important in itself but only as it affects the mileage driven. Some occupations may show a consistently worse experience than others even where the mileage driven is about the same but there is not enough difference, it is believed, to warrant a differential on the ground of occupation alone.

One possibility in mileage classes would be to have three groups: up to 10,000 miles a year; 10,000 to 20,000; and 20,000 and over. The 20,000 and over class would embrace those occupational groups like salesmen where the amount of driving boosts the exposure far above normal. There would be some chiseling

(CONTINUED ON PAGE 32)

## Cutbacks May Prove Boon to Boiler Line

NEW YORK—Boiler and machinery insurers are looking hopefully to war industry cutbacks to mitigate loss ratios which have been boosted by wartime urgencies and shortages. Unfortunately these higher losses have come while the effect of deep-cut competitive rates is still being unpleasantly felt.

Unlike many other things that are insured, boiler insurance experience reacts very strongly to the degree of skill of the operating personnel, inspections, quality of repairs and maintenance. All these are unfavorably affected by war conditions and in addition there is the difficulty of getting repair parts and the fact that many old units are used that would be discarded or used only as stand-by equipment in normal times. It is as yet too early to tell how much these conditions will be helped by the shift to a one-front war and to what extent unneeded equipment from war plants can be made available to non-war industries but it seems likely there will be some relief.

Boiler and machinery inspectors may be available in greater numbers, it is hoped, but while some have returned from the armed forces the draft of young fellows has made inroads that have just about kept the situation at a balance.

## Tells Loss Control Incentives in War Rating Plan

### Col. Hill Answers Critics in Addressing Commissioners Meeting

An answer, gratifying to insurance interests, to the criticism that the War Department insurance rating plan is lacking in incentives to insurance companies to hold down loss payments, was given by Col. Reese F. Hill in addressing the convention of the National Association of Insurance Commissioners at St. Paul. Col. Hill is chief of the contract insurance branch of the army service forces.

The criticism to which Col. Hill alluded was made recently in an investigation of navy insurance practices by a House committee headed by Rep. Hebert of Louisiana. Col. Hill expressed the belief that criticism of the War Department rating plan comes largely from persons who do not fully understand its operations. The critics charge that insurers have no incentive under the plan to keep losses down since the losses enter into the calculation of the premium and are included in the final earned premium to the company. Such a viewpoint, Col. Hill declared, ignores the principle with which insurance men have long been familiar, that loss frequencies and severities cannot be permitted to run unchecked in connection with a given risk or line of business, with the expectation that they can be halted at any certain point.

### Maximum Premium Provision

Furthermore, Col. Hill continued, the insurers under this plan are confronted with a maximum premium provision, which is always less than the manual premium. Additionally, all losses entering into the calculation of the premium charge are subject to review and approval by the War Department, and this is actually undertaken in connection with every risk. Thus far it has been found that the companies have been thorough and painstaking in the handling of the insurance written under the plan, he asserted.

Col. Hill praised the American casualty insurers as having done a magnificent job in affording essential protection and service to contractors of the War Departments throughout the world. These insurers have been confronted with unique problems—some have had manpower difficulties and have entered areas to service war contractors where they had never been before. The Aleutians, Red Sea region, Palestine, South Africa and New Zealand are but a few of the many far away places to which American insurance companies have sent their trained personnel and afforded the necessary protection and service under the War Department rating plan to war contractors.

### Praises Fire Companies

Col. Hill also gave a pat on the back to the fire companies, saying that a great deal of credit for the fine experience of the government under its program of self insurance on its own property and facilities being operated by or in the possession of war contractors is due to fire companies. Through their plant protection services and other

(CONTINUED ON PAGE 32)





# Casualty Net Premiums and Paid Losses in KANSAS in 1944

	Total Premiums \$	Total Losses \$	Auto. Premiums \$	Liab. Losses \$	Other Premiums \$	Liab. Losses \$	Work. Premiums \$	Comp. Losses \$	Fidelity-Surety Premiums \$	Fidelity-Surety Losses \$	Plate Glass Premiums \$	Plate Glass Losses \$	Burglary-Theft Premiums \$	Burglary-Theft Losses \$	Prop. D. & Coll. Premiums \$	Prop. D. & Coll. Losses \$
Accident & Casualty	7,341	8,337	2,598	30	207	.....	2,024	2,464	153	.....	69	33	1,010	508	1,134	801
Aetna Cas.	324,703	83,661	91,551	8,810	44,898	934	102,118	45,558	24,091	928	6,645	1,853	17,120	1,802	36,746	16,982
Alliance Mut. Cas.	198,556	66,253	56,799	9,719	895	.....	.....	.....	5,192	.....	2,221	1,084	.....	.....	62,747	33,560
Allied Mut. Cas.	50,705	15,267	13,889	2,583	2,590	76	5,391	829	.....	.....	33	.....	1,948	197	18,788	8,894
Allstate	19,773	2,190	14,462	388	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5,310	1,802
American Auto	169,334	54,912	91,024	24,086	11,603	79	18,321	7,654	29	.....	1,584	219	3,182	78	43,431	22,237
American Cas.	15,534	766	6,122	23	1,022	.....	4,535	441	129	.....	307	.....	689	.....	2,756	322
Amer. Employers	94,853	39,846	21,814	5,545	11,914	5,220	34,373	19,089	6,784	2,980	1,967	546	3,134	878	12,779	5,865
Amer. Fid. & Cas.	18,999	6,076	14,833	2,768	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	4,165	2,307
Am. Guar. & Liab.	1,322	321	.....	.....	.....	.....	.....	.....	1,322	321	.....	.....	.....	.....	.....	.....
Amer. Indem.	53,760	26,205	18,006	10,743	1,598	.....	.....	.....	.....	.....	1,362	650	3,736	689	19,309	9,115
Amer. Motorists	34,031	13,495	935	157	1,150	104	29,013	11,709	31	—1	21	.....	.....	.....	2,859	1,524
Amer. Mut. Liab.	88,789	62,065	5,263	2,888	4,367	673	73,351	54,704	1,127	.....	27	175	179	.....	4,394	3,622
American Reins.	14,207	4,518	503	.....	994	2,613	1,412	.....	10,569	2,005	.....	.....	327	.....	372	.....
Amer. Surety	115,064	24,166	6,564	5,797	4,254	116	11,579	8,119	84,284	409	686	312	4,309	5,606	3,366	2,681
Anchor Cas.	27,891	2,972	12,123	85	185	.....	857	78	173	.....	538	62	1,648	61	8,418	1,775
Arex Indem.	36	18	1	8	20	.....	11	3	.....	.....	.....	.....	.....	.....	2	3
Assoc. Indem.	77,080	25,519	8,203	999	4,101	.....	57,527	21,868	939	.....	839	178	281	6	4,867	2,195
Bankers Indem.	490	31	83	.....	46	.....	194	10	.....	.....	.....	.....	51	.....	29	21
Bituminous Cas.	207,435	103,248	128	.....	21,608	80	173,717	102,651	.....	.....	.....	.....	.....	.....	11,980	517
Car. & General	758	314	298	.....	49	.....	91	92	.....	178	.....	.....	.....	.....	141	222
Celina Mut. Cas.	27,552	10,584	8,580	946	69	.....	.....	.....	.....	.....	1,296	736	260	.....	10,273	5,561
Central Mut. Cas.	24,380	5,893	7,660	53	.....	.....	.....	.....	.....	.....	797	.....	.....	.....	9,765	3,398
Central Surety	220,342	80,961	74,353	13,814	19,167	840	33,808	35,103	27,926	971	7,991	2,605	11,652	2,188	45,026	25,439
Century Indem.	33,344	24,207	12,807	7,390	2,662	31	1,783	12,076	4,662	195	133	62	4,369	14	6,406	3,776
Columbia Cas.	48,930	20,369	2,092	.....	981	62	33,372	19,064	1,971	—211	105	—15	412	.....	892	270
Commercial Cas.	63,514	18,597	13,646	3,269	1,822	6	82	.....	1,956	.....	810	154	1,846	905	541	599
Commercial Std.	135,965	47,682	48,195	16,777	5,182	715	29,654	9,416	1,620	256	1,491	934	1,082	49	37,047	14,690
Conn. Indem.	39,338	6,626	20,481	3,514	2,711	190	363	.....	.....	.....	1,279	15	4,247	256	10,255	2,649
Continental Cas.	411,078	153,336	59,299	24,278	20,738	243	101,274	28,792	17,947	4,301	2,404	608	10,496	2,029	31,883	13,155
Eagle Indem.	28,968	5,931	6,637	2,225	2,629	13	11,164	2,466	3,170	—1,008	67	11	963	.....	3,519	2,223
Employers Cas.	147,867	53,632	30,496	1,654	11,756	740	58,505	32,479	.....	.....	2,348	917	1,291	316	31,476	14,061
Employers Liab.	223,494	106,947	34,706	17,064	23,404	1,281	125,111	75,889	5,182	2,752	1,223	630	4,930	225	25,283	8,410
Employ. Mut. Cas.	520,137	195,246	128,958	20,700	33,310	4,401	139,605	58,208	.....	.....	1,355	867	8,556	1,966	135,988	74,633
Employ. Mut. Liab.	176,704	328,488	16,594	2,324	—21,278	805	155,901	313,329	247	.....	99	28	254	.....	25,885	11,997
Employers Reins.	89,938	6,293	40,716	978	8,660	.....	7,258	158	16,963	3,153	81	.....	6,199	40	2,138	30
Equity Mutual	40,148	13,116	7,775	2,558	1,868	.....	20,194	7,077	3,174	7	413	176	40	.....	6,682	3,296
Europ. Gen. Reins.	60,367	8,981	12,176	1,511	6,915	1,255	5,589	6,569	22,050	—1,782	.....	.....	5,806	—185	6,760	256
Excess	1,645	.....	216	.....	.....	.....	—330	.....	1,750	.....	.....	.....	.....	.....	5	.....
Farm Bu. Mu., Kan.	501,376	157,218	164,789	14,277	27,717	7,089	.....	.....	.....	.....	.....	.....	.....	.....	235,471	103,710
Fmr. Mt. Au., Wis.	5,573	3,714	3,714	.....	2	.....	.....	.....	.....	.....	.....	.....	450	97	4,065	3,022
Fmr. Un. M. A., Ia.	7,368	1,954	2,538	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,264	1,566
Farmers Mut. Hall.	69,630	12,886	11,527	860	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	5,771	4,042
Fidelity & Cas.	569,429	249,896	45,463	11,981	36,828	1,265	362,718	206,312	19,111	1,061	3,447	534	10,032	2,783	32,496	17,487
Fidelity & Deposit.	108,816	1,068	.....	.....	40	.....	.....	.....	99,506	689	417	200	8,801	179	.....	.....
Fireman's Fund	74,471	10,314	5,365	13	10,253	11	49,487	8,757	1,947	.....	273	—19	1,331	20	5,421	754
General Accident	145,067	70,564	13,575	1,475	7,850	9,362	85,118	44,251	.....	.....	844	225	1,765	184	11,334	4,750
General Cas., Wash.	16,057	1,752	5,696	—1,477	2,309	530	—647	.....	2,911	.....	163	123	2,608	1,080	3,089	1,496
General Reins.	71,654	14,752	25,115	10,426	2,832	3,308	3,308	.....	14,000	515	80	.....	4,970	241	3,359	.....
Glens Falls Indem.	32,024	8,476	7,738	467	4,681	2,564	2,063	1,705	7,718	949	661	318	3,489	472	4,683	1,535
Globe Indem.	44,719	16,140	13,480	3,072	4,291	1,379	8,906	10,730	4,090	—222	202	118	626	.....	8,956	835
Great Amer. Ind.	33,710	15,522	5,746	1,059	4,162	1,255	13,557	8,273	1,977	3,472	83	.....	903	13	4,680	1,383
Hardware Indem.	2,071	1,787	283	25	385	477	1,134	1,068	.....	.....	12	.....	43	41	209	174
Hardware Mut. Cas.	297,775	70,762	68,751	13,072	14,328	602	135,950	32,357	7,769	2,023	4,251	311	65,884	22,211	65,884	22,211
Hartford Acci.	593,167	224,375	199,555	72,067	47,623	3,884	165,117	89,295	50,353	4,530	5,413	1,375	27,597	6,229	76,677	39,529
Hawkeye Cas.	78,672	31,526	33,348	15,520	1,545	.....	3,290	637	344	.....	40	.....	482	.....	28,332	13,827
Home Indem.	38,613	5,476	18,935	1,047	2,532	186	.....	.....	3,659	.....	1,342	678	2,082	516	10,048	3,148
Home Mut., Ia.	130,810	57,497	41,782	9,822	.....	212	8,213	3,819	5,632	—1,011	998	148	1,835	93	64,935	33,474
Indem. of No. Amer.	73,555	21,708	26,678	6,360	9,396	.....	8,213	3,819	.....	.....	.....	.....	.....	.....	16,982	6,992
Insurers Ind., Okla.	42,737	21,161	3,884	1,964	1,695	.....	31,133	17,153	.....	.....	167	.....	87	43	4,166	1,604
Iowa Mut. Liab.	108,671	61,450	23,980	3,111	5,089	394	32,015	34,375	.....	.....	.....	.....	297	.....	31,765	13,968
Kansas Bkrs. Sur.	79,594	15,292	.....	.....	9	.....	.....	.....	79,594	15,292	.....	.....	.....	.....	.....	.....
Keystone Mut. Cas.	12,493	5,310	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3,319	3,453
Liberty Mutual	446,868	220,288	10,473	4,286	13,299	1,288	410,670	204,672	1,058	2,375	341	606	679	356	10,030	6,487
London & Lanc.	37,136	5,952	18,546	1,448	2,332	.....	155	.....	644	.....	415	209	1,881	307	8,182	2,198
London Guar.	39,555	9,394	6,200	105	7,442	951	2,954	6,355	.....	—1	360	341	1,121	229	5,168	510
Lumbermut. Mut. Cas.	215,468	93,418	21,870	4,745	15,293	1,464	157,569	83,337	73	—15	226	.....	359	68	18,353	2,302
Mfrs. & Merchs. Ind.	4,198	513	582	.....	3,220	268	.....	.....	.....	.....	.....	.....	.....	.....	396	245
Manuf. Cas.	5,733	5,022	3,184	3,400	442	.....	3,462	647	15	.....	53	38	33	.....	1,411	937
Maryland Cas.	602,180	86,831	37,267	11,944	29,251	653	132,513	50,940	34,934	320	2,454	1,288	9,719	1,216	21,985	7,734
Mass. Bonding	235,832	90,281	121,369	59,473	8,132	2,128	31,570	5,888	25,581	2,238	1,571	632	4,121	1,205	32,847	12,807
Medical Protect.	18,790	7,154	.....	.....	18,790	7,154	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Metropolitan Cas.	10,604	1,976	3,152	18	1,678	.....	29	.....	909	—30	280	75	1,023	222	328	148
Natl. Auto. & Cas.	209	.....	9	.....	27	.....	.....	.....	.....	.....	.....	.....	.....	.....	160	.....
National Cas.	49,263	23,946	9,526	5,741	1,267	.....	6,199	2,918	1,019	—399	295	37	1,084	87	4,571	2,209
National Mut. Cas.	254,971	91,694	58,308	24,073	4,190	.....	129,851	34,831	508	.....	177	.....	.....	.....	48,128	26,801
National Sur.	118,790	5,														

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses
Royal Indem. ....	43,964	22,811	6,948	414	4,088	1,970	21,296	16,278	3,285	2,726	351	105	400	25	4,976	1,142
St. Paul Merc. Ind. ....	178,259	46,133	63,776	7,505	15,066	1,002	42,439	20,299	16,799	468	4,272	1,925	4,836	1,895	30,489	13,000
Seaboard Surety ....	12,997	.....	.....	.....	.....	.....	.....	.....	12,937	.....	.....	.....	.....	.....	.....	.....
Security Mut. Cas. ....	86,250	31,977	1,988	11	9,126	3,500	73,633	28,287	.....	.....	.....	.....	.....	.....	690	178
Shelby Mut. Cas. ....	4,395	1,587	.....	.....	443	.....	.....	.....	.....	.....	3,144	1,516	807	11	.....	.....
Standard Acci. ....	213,401	60,427	17,932	971	14,564	2,241	135,823	49,323	2,602	-3,279	13,729	-18	295	179	14,206	5,533
Standard, Okla. ....	1,543	.....	217	.....	58	.....	774	.....	.....	.....	.....	.....	.....	.....	291	.....
Standard Sur. & Co. ....	23,825	4,646	11,307	1,668	1,044	.....	2,434	699	828	-117	450	27	2,142	398	5,547	1,969
State Auto. Mut. O. ....	4,182	505	1,528	.....	163	.....	.....	.....	.....	.....	.....	.....	588	5	1,519	342
State Farm. Mut. ....	822,928	389,428	335,424	81,416	2,424	751	.....	.....	.....	.....	.....	.....	.....	.....	367,717	225,223
Sun Indemnity ....	23,416	5,949	3,259	3,541	794	5	5,418	556	1,857	38	767	84	1,198	143	4,828	1,278
Traders & Gen. ....	22,304	8,674	389	.....	824	.....	20,303	8,617	.....	.....	49	.....	9	.....	525	42
Travelers ....	904,859	551,596	7,170	1,339	13,493	2,164	231,561	83,239	.....	.....	.....	.....	.....	.....	.....	.....
Travelers Indemnity ....	414,980	133,724	108,529	25,192	34,161	2,734	142,362	69,083	14,425	3,342	4,888	1,295	26,271	6,612	72,633	24,536
Trinity Universal ....	105,295	37,157	27,555	2,693	3,669	49	11,206	2,920	2,066	-68	2,471	598	3,391	1,255	37,566	23,501
United Nat'l Ind. ....	20,620	310	14,069	.....	9	.....	.....	.....	.....	.....	18	.....	9	.....	6,464	310
United Pacific ....	771	7,107	.....	.....	.....	.....	.....	.....	.....	.....	7,107	.....	.....	.....	.....	.....
United States Cas. ....	8,145	2,113	2,371	6	200	-12	2,443	1,282	1,104	.....	.....	.....	.....	.....	.....	.....
U. S. Guarantee ....	424,349	105,198	48,925	12,996	42,159	8,040	216,661	40,639	63,576	23,063	5,898	1,888	15,616	4,872	26,531	11,934
U. S. F. & G. ....	17,870	1,619	667	976	189	.....	24	.....	16,416	-226	.....	.....	122	17	392	853
Virginia Surety ....	1,665	183	1,223	131	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	442	51
West. Cas. & Surety ....	272,911	106,130	83,107	31,661	25,721	1,189	69,727	46,373	36,093	.....	5,919	2,770	5,527	1,210	45,619	22,847
Western Nat'l Ind. ....	13,744	4,310	3,409	395	3,367	1,777	2,524	876	540	208	152	248	1,679	56	1,935	730
Western Surety ....	4,717	.....	.....	.....	.....	.....	.....	.....	4,717	.....	.....	.....	.....	.....	.....	.....
Yorkshire Indemnity ....	1,685	.....	10	.....	.....	.....	.....	.....	1,668	.....	.....	.....	.....	.....	.....	.....
Zurich ....	430,529	154,644	232,957	64,884	15,915	2,355	70,777	33,554	.....	.....	564	610	6,624	563	56,354	27,661
Total, 1944 ....	15,989,382*	7,234,765*	3,033,533	759,113	736,577	132,504	4,168,791	2,184,075	856,285	81,817	119,996	36,172	298,499	54,873	2,170,684	1,039,608
Total, 1943 ....	17,937,942	6,491,566	2,973,257	719,144	731,081	114,601	6,015,444	2,373,723	1,054,288	130,116	130,379	97,189	327,032	24,731	2,076,039	791,896

\*Figures do not include reciprocals, do include totals of lines shown below and fire, theft, etc. of auto full cover companies. Figures not shown will appear in an early issue, with corrected totals.

## Other Kansas Business

### ACCIDENT & HEALTH

	Net Premia.	Losses Pd.
Accident & Casualty ....	141	5,156
Aetna Casualty ....	137	.....
Aetna Life ....	315,070	338,522

	Net Premia.	Losses Pd.
Amer. Surety ....	18	1,121
Bankers Indem. ....	84	.....
Ben. Assn. Ry. Empl. ....	177,778	102,479
Business Men's Assur. ....	601,771	403,618
Central Mut. Cas. ....	881	193
Central Surety ....	412	.....
Century Indem. ....	506	659
Continental Assur. ....	3,792	11,055

	Net Premia.	Losses Pd.
Columbian Nat'l ....	20,393	10,260
Columbus Mut. Life ....	605	136
Columbia Cas. ....	353	59
Commercial Cas. ....	42,807	13,659
Conn. Gen. Life ....	11,858	8,908
Continental Cas. ....	161,628	75,725
Eagle Indem. ....	292	.....
Employers Liab. ....	1,961	504
Employers Mut. Cas. ....	11,800	2,994
Employers Reinsur. ....	3,796	932
Equitable Society ....	165,612	97,512
European Gen'l Reins. ....	2,981	1,357
Federal Life & Cas. ....	19,685	7,177
Federal Life ....	19,409	11,182
Fidelity & Cas. ....	50,057	1,149
Fireman's Fund Ind. ....	391	776
Franklin Life ....	10,500	2,409
General Acci. ....	24,179	10,312
General Amer. Life ....	37,754	28,451
General Cas., Wash. ....	8	.....
General Reins. ....	16,827	3,568
Glens Falls Indem. ....	986	462
Globe Indem. ....	2,257	224
Great Amer. Ind. ....	2,587	.....
Great Northern Life ....	18,231	2,196
Great West Life ....	161	.....
Hardware Mut. Cas. ....	839	182
Hartford Acci. ....	21,826	7,962
Hawkeye Cas. ....	134	.....
Home Indemnity ....	11	.....
Ill. Bankers Life ....	21,549	8,004
Ind. of No. America ....	4,814	5,092
Independence, Ky. ....	242	80
Inter-State Bus. Mens. ....	24,163	5,895
John Hancock ....	84,656	71,516
Liberty Mutual ....	113	20
London Guar. ....	3,566	237
London & Lanc. ....	4,975	1,789
Lumbermens Mut. Cas. ....	896	.....
Manufacturers Cas. ....	108	.....
Maryland Cas. ....	27,553	12,094
Mass. Bonding ....	10,636	5,904
Mass. Indem. ....	2,872	1,090
Mass. Protective ....	224,790	95,245
Metropolitan Cas. ....	3,200	1,439
Metropolitan Life ....	359,231	271,631
Midwest Life ....	2,964	1,161
Missouri Ins. Co. ....	94,770	22,498
Monarch Life ....	30,024	16,633
National Cas. ....	25,297	13,350
Nat'l Travelers Cas. ....	5,638	1,811
New Amsterdam Cas. ....	405	.....
National L. & A. ....	237,782	86,880
No. Amer. Acci. ....	54,424	14,853
Northern Life ....	3,168	569
Occidental Life ....	30,543	18,742
Ocean Acci. ....	3,496	6,504
Ohio Casualty ....	2,489	236
Order of Railway Empl. ....	42,013	20,381
Pacific Mut. Life ....	132,083	59,184
Phoenix Ind. ....	5,188	471
Paul Revere Life ....	38,143	14,973
Postal Life & Cas. ....	3,440	549
Preferred Acci. ....	66,967	28,544
Provident L. & A. ....	47	.....
Protective Indem. ....	267,586	203,153
Prudential ....	102	.....
Pyramid Life ....	6,553	2,621
Reliable Life, Mo. ....	2,544	148
Royal Ind. ....	576	35
St. Paul-Merc. Ind. ....	2,350	1,238
Security L. & A. ....	12,673	5,486
Standard Acci. ....	67	.....
Standard S. & C. ....	290	301
Sun Indem. ....	652,631	464,851
Travelers ....	20,304	3,105
United Ben. Life ....	49	.....
United Nat'l Ind. ....	793	18
U. S. Cas. ....	4,964	1,771
U. S. F. & G. ....	117,756	39,679
U. S. Guar. ....	124	.....
Washington Nat'l ....	1,191	76
West Coast Life ....	62	16
Western Cas. & Sur. ....	56,495	20,261
Western Nat'l Ind. ....	15,209	8,793
Woodman Acci. ....	15,209	8,793
Woodmen Cen. Health ....	4,593,877	2,728,323
Zurich ....	4,017,833	2,078,984



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	Net Premia.	Losses Pd.
Amer. Employers ....	1,737	.....
Amer. Guar. & Liab. ....	5	316
Amer. Reins. ....	15	.....
Arex ....	.....	2
Columbia Cas. ....	8,748	1,129
Continental Cas. ....	5,402	4,201
Eagle Indem. ....	422	.....
Employers Liab. ....	1,684	210
Employers Reins. ....	320	.....
Europ. Gen. Re. ....	-1,263	.....
Excess ....	1	.....
Fidelity & Cas. ....	9,282	7,316

(CONTINUED ON PAGE 31)



# REINSURANCE

## FIDELITY

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ESTABLISHED 1911

## Jainsen Analyzes New Conn. Casualty Rating Law

STRATFORD, CONN.—Connecticut's new rating law, which goes into effect Oct. 1, 1946, will give the state its first casualty rate regulation, Wilson C. Jainsen, vice-president of Hartford Accident, told the mid-year conference of the Connecticut Association of Insurance Agents here Tuesday.

It seems reasonable to anticipate that the casualty business in Connecticut will be very competitive as to rates, he said. The practical effect to producers is that there may be, under the law, different rate levels between carriers of the same or different classes. At the outset there may be some confusion that will require patience, tolerance and understanding on the part of all concerned. Rate control is a new principle for Connecticut and time will determine the answers.

### Should Study It Now

The act, which governs the making, filing and approval of rates for certain casualty insurance and for guaranty and surety bonds, and providing for rating organizations, should be given consideration now, Mr. Jainsen said. In drawing the bill, Commissioner Allyn and his department collaborated with the casualty companies. They had in mind that the protection of the public interest is paramount, he said. Insurance does not determine the cost of its product before it is sold, but the cost is determined by losses which occur at a later date. Another principle was that insurance rates are made upon the assumption that the future will, within reasonable limits, repeat the past, but estimates of prospective loss experience may be considered. The broader the record of past performance, the greater the probability of accuracy for the future, and the greater the desirability that the experience of a number of companies be combined in the making of rates. Casualty insurance is constantly changing as social and economic conditions change. Consequently, established principles and regulations within which the commissioner may exercise discretionary power rather than define details which might block desirable development are the objective. The law applies to all lines of casualty insurance and bonds excluding accident and health and certain aviation insurance.

### Some Loss of Independence

Mr. Jainsen said that any law necessarily requires some loss of independence and complete freedom of action which has been enjoyed under non-regulation. At the same time it does not include complete regimentation.

The Connecticut act incorporates among others the following principles:

A company, or a group of companies acting through a rating organization may develop rates and rating plans, but no such rate or rating plan becomes effective until approved by the state. Companies may collaborate with others in rate making, as members or subscribers to a rating organization, but no company is required to collaborate by becoming a member or a subscriber.

To permit competition, subject to standards applicable to all companies, any independent company may use its own rates and any company member of or subscriber to a rating organization may apply a uniform deviation to rates approved for such organization or may adopt its own system of expense provisions.

To permit flexibility within rating organizations, a single member or a minority group of members may appeal to the administering authority from action by the organization.

One or more rating organizations, within or outside the state, may be licensed.

Rights of the individual member of

the public as to rates which affect him are recognized and protected.

The insurance commissioner is given specific authority to consult with other states to the end that uniformity in practices may be adopted.

Sufficient flexibility in rate-making is permitted to enable the commissioner to approve plans which meet the problems of properly rating as a unit, the exposures of a risk having business operations in several states.

The principles of rate-making are flexible enough to accommodate the differing requirements of all types of insurance companies. These principles and others are stated in legal phraseology in the act.

### How Rates Are Secured

If the agent represents, a casualty company that is a member of or subscriber to a rating organization, Mr. Jainsen said, that organization will apply for a license to act on behalf of its members or subscribers. Having qualified, it will make the necessary filings of its manuals, classifications, rating plans, etc., with such supporting data as will enable the commissioner to pass upon them. Upon approval by the commissioner, the promulgations will be made to the carriers and they will be the rates used by its agents. If the

commissioner disapproves, he must specify in what respects the filing does not meet the standards prescribed in the law.

Committees of the National Bureau of Casualty & Surety Underwriters, for example, are already engaged in studying the rating problem, he continued. The plans they will offer will probably include such factors as the ability to combine various lines for rating purposes; to combine the entire casualty operations of a risk without regard to state lines; and the ability to grade expenses by size of risk as determined by such combinations. The law also contemplates the use of rating plans which will be of a character designed to adjust manual rates to fit the requirements of individual risks if they are applied uniformly to all eligible risks. The law, as passed, is persuasive of the intent to recognize such features.

If the agent represents an independent company, Mr. Jainsen added, that company will have to make its own individual filings. Presumably the same standards for filings will be required, for if they are to be essentially different from those imposed on a rating bureau, it might impose a handicap that could lead only to the bureau member becoming an independent. Bear in mind, also, he said, that the bill permits recognition of the requirements of the operating methods of insurers or groups of insurers, whether operating independently or collaborating in one or more rating organizations, when proper supporting data has been filed and approved by the commissioner.

## ACCIDENT AND HEALTH

### Crowding of Hospitals by Service Policyholders in Mich. to Be Investigated

LANSING, MICH.—A resolution was adopted by the Michigan senate to investigate charges that non-profit hospital service associations are over-crowding hospitals in industrial centers to the point where patients acutely needing hospitalization can not be accommodated.

Senator Charles Blondy, Detroit, who offered the resolution was named chairman of a probe committee which includes Senators Greene and Youngblood.

Service contract policyholders have been insisting on collecting on their policies for minor complaints, Mr. Blondy held. As a consequence hospitals have become crowded to the extent that serious cases have been rejected. Mr. Blondy contended that many patients receiving treatment under hospitalization service contracts should be treated in homes rather than in institutions but that they insist on hospitalization because they can't collect benefits otherwise.

A bill introduced earlier in the session to force the hospitals to charge the service associations the same rate as the general public was defeated.

### Neumann Named President of Detroit Association

DETROIT—E. H. Neumann, Great Northern Life, was advanced to president of the Detroit Accident & Health Association at its annual meeting, succeeding Tom R. Wyles, Jr., Standard Accident.

L. V. Minghini, Business Men's Assurance, was named first vice-president and Ben Schenk, American Hospital-Medical Benefit, second vice-president. J. W. Landon, Continental Casualty, was reelected secretary-treasurer for a third term.

Mr. Wyles becomes chairman of the executive committee, which includes A. A. Frary, Continental Casualty; Fred Grainger, Federal Life & Casualty; Roy Long, Great Northern Life; Lewis Ellwood, American Hospital-Medical Benefit, and George Hahn, Commercial Cas-

ualty. The by-laws were amended to add a second vice-president and an additional member of the executive committee.

After considerable discussion of the divergent problems of the various types of accident and health business, it was agreed to organize three separate divisions to sponsor meetings with speakers on these phases and also hold separate meetings in some cases. J. G. Ryan, supervisor of the group department of Travelers, heads the newly formed group division; Mr. Landon, the franchise division and Mr. Schenk, the individual accident-health division.

### O'Connor Leaves Maccabees to Enter Hardware Business

Kenneth H. O'Connor is resigning as claims department manager of Maccabees, where he was actively identified with the accident and health department. He will be succeeded by J. L. Fraser, who has been chief underwriter for several years. Mr. Fraser has been with Maccabees for 15 years and formerly was in the claims department.

Mr. O'Connor is entering the hardware business and has purchased a store at 207 South Division avenue, Grand Rapids, Mich. Mr. O'Connor has been active in the Health & Accident Underwriters Conference, having served as chairman of the home office management committee and in other important posts. He is now secretary of the surgical schedule committee.



K. H. O'Connor

### Perego New President of Milwaukee A. & H. Group

MILWAUKEE—Alfred K. Perego, Wisconsin National Life, was elected president of the Accident & Health Underwriters of Milwaukee at the annual

meeting, succeeding Gilbert A. Diehl, Business Men's Assurance, who had served two years. Carl A. Ernst, North American Life & Casualty, is first vice-president; A. L. Anderson, Massachusetts Protective, second vice-president; Leo E. Packard, Loyal Protective, secretary-treasurer for the eighth consecutive term. New directors are Clifford C. Raisbeck, Great Northern Life; Alois A. Eisbach, North American Life; Ervin L. Jung, Old Line Life; N. O. Knudson, United Benefit; William F. Mielenz, Aetna Life; Charles E. Myers, Loyal group; Stanley Olymiec, Washington National and Sydney S. Yaudes, Time.

J. J. Helby, Federal Casualty, reported for the legislative committee on the progress of three bills of special interest to accident and health men, one in the senate for establishment and administration of a system of health insurance, and two already passed by the assembly, one relating to hospital service corporations and one relating to sickness care plans of state or county medical societies under jurisdiction of the insurance department.

In connection with the latter bill, a resolution has been introduced in the senate asking an opinion of the attorney general on three questions: Does the bill affect or override the previous opinion of the attorney general under which the Milwaukee County Medical Society now operates, what specific powers does the bill vest in the insurance commissioner and what specific duties would the bill lay on the insurance commissioner?

Plans were discussed for the resumption later in the year of the cooperative advertising campaign in local newspapers.

### Launch Organization of Illinois A. & H. Women

Preliminary steps looking toward the formation of an Illinois section of the women's division of the National Association of Accident & Health Underwriters were taken at a luncheon in Chicago Friday, with about 35 accident and health women in attendance. Another meeting will be held later, at which the formal organization will be effected and officers elected.

Lorraine Blair, Mutual Benefit Health & Accident, Chicago, who is vice-chairman of the women's division and also Illinois state chairman, presided. She stressed the possibilities for women in insurance work, declaring that it is a "natural" for them, and the great increase in the number of women in various fields of business in recent years. She said that some of them were forced into business life by the war but expressed the hope that those in insurance at any rate would continue in that business. To accomplish that result it will be necessary to show them its advantages and attractions, which can be done most successfully through cooperative, organized effort, and that is where the National and local associations can play their part. She urged a larger enrollment of women in the Chicago Accident & Health Association, which would automatically give them membership in the National association.

Margaret Olson, North American Life & Casualty, Minneapolis, national chairman of the women's division, drove from Minneapolis to attend the meeting when she was unable to get either plane or rail transportation. She reviewed the work of the National association, the development of the women's division and the part which women can take in bringing about world peace and security.

She said that state chairmen of the women's division are now carrying on organization work actively in 28 states and told of the notable work some of them have been doing in securing new members for the women's division and the National association. She listed the reasons for association membership and the advantages which would accrue from it.

Roy M. Jackson of W. A. Alexander & Co., retiring president of the Chicago

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Accident & Health Association; Edith Larson, Employers Liability, new secretary of that association, and Mrs. Josephine A. Martin, Massachusetts Bonding, retiring secretary; Miss Joy M. Luidens, executive secretary of the Chicago Association of Life Underwriters, and Mrs. Louise Scott Konsberg, Massachusetts Mutual Life, head of the women's division of that association, spoke briefly, telling of the work of their organizations and promising cooperation in the movement.

#### State Insurance in Cal. Dead

SAN FRANCISCO—Any chance of a state insurance bill being passed by the California legislature this year is definitely dead, according to observers who have watched the efforts to put over one or more of a dozen different measures since the legislature convened last January.

The latest defeat suffered by the proponents of state insurance was on a hospitalization insurance measure which Governor Warren advocated if the original broad plan of complete medical and hospital insurance was to be postponed. This measure was turned down by the public health committee of the assembly and later when an effort was made on the floor to bring it out from the committee, this was also defeated, 45 to 32.

It is probable that an interim committee will be appointed to study the problem.

#### Baltimore Outing June 16

The Baltimore Association of Accident & Health Underwriters will hold its first annual outing on June 16 at Lan Lea farm as guests of Roy Lanham, Lincoln National Life general agent.

#### Gordon to Give Two Talks

Harold R. Gordon, managing director of the Health & Accident Underwriters Conference, will speak at a special meeting of the Accident & Health Insurance Managers Club of San Francisco June 19. James E. Powell, vice-president of Provident Life & Accident, also will be a guest.

The Accident & Health Managers Club of Los Angeles will hold a special meeting June 25, in lieu of its regular meeting June 18, at which Mr. Gordon will speak.

#### A. & H. Plan for Mich. Groups

DETROIT—The Bond Club of Detroit and Security Traders Association of Detroit and Michigan have adopted a special disability policy for members which includes \$200 per month indemnity for accidents or sickness from any cause with hospitalization and accident medical reimbursement included; also \$1,000 accidental death and dismemberment coverage is a part of each policy. The contract was installed by Forrest A. Heath, vice-president of S. C. Hadley, Inc., Detroit insurance brokers.

Commercial Casualty is the insurer.

Governor Lausche of Ohio has signed the bill legalizing hospital service contracts.

The Accident & Health Association of Kansas City will hold its annual field day at Old Mission Golf Club June 19.

## PERSONALS

Ocean Accident has presented to John C. Fisher of Crown Point, Ind., a hand-painted plaque marking his 40th year of local agency representation of the company.

S. S. Scott, agency supervisor at Chicago, made the presentation, taking with him congratulatory letters from Henry Collins, U. S. manager, and L. S. Jones, Chicago manager.

Mr. Fisher, for some 15 years, played the drum in a band on the Chautauqua

circuit. In 1905, while playing in Pittsburgh, he came across a man who had formerly played the cornet in a Chautauqua band, and who was then a local agent at Pittsburgh. He induced Mr. Fisher to try the insurance business, and he did so part time for six months while continuing to play in the band. Then he became a full-time agent. Although he operated as a solicitor for an agency, in 1905 he also made an individual contract with Ocean Accident. He continued to operate in Pittsburgh

until 1915 when he settled at Crown Point. He is 72 years of age.

Vern V. Moulton, president and founder of Auto-Owners, Lansing, Mich., attended a unique family reunion when his sister, Miss Mary Moulton, 60-year-old Detroit teacher, was given the M.A. degree by Wayne university, Detroit. Four of the seven brothers, all of whom were present, are listed in "Who's Who." They include Dr. Harold G. Moulton, president of Brookings Institution, Washington, D. C.; Earl L.,

Albuquerque, N. M., president of one of the southwest's leading distributing firms and owner of large ranches in that area; Dr. Forest R., Washington, D. C., secretary of the American Association for the Advancement of Science; Dr. Elton J., head of the mathematics department of Northwestern university.

Neville Pilling, U. S. manager of Zurich, has sold his 46-foot power boat, A'Laise, and this summer will devote his attention to windjamming in Lake Michigan as a member of the crew of



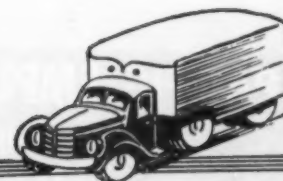
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the sailboat Tecumseh. Mr. Pilling is secretary of Chicago Yacht Club.

## DEATHS

**Herman J. Wanner**, 58, Fresno, Cal., manager of Pacific Automobile for 22 years, died there from a stroke of apoplexy. He joined Pacific Automobile in San Francisco in 1923 and later that year was made manager at Fresno.

**Haran Herscher**, former junior underwriter with Maryland Casualty in St. Louis, was killed in action in Europe. He was with an artillery outfit.

**William R. Best**, 53, with the surety department of Massachusetts Bonding at New York since 1926, died at a hospital at Rockville Center, L. I., after a long illness. He started in 1922 in the surety department of Fidelity & Casualty. In the last war he served as a lieutenant colonel.

## COMPENSATION

### Increase Iowa Rates 14.7%: Form Second Injury Fund

DES MOINES—Workmen's compensation rates will be increased 14.7% in Iowa effective July 4, due to liberalization of benefits by the recent legislature. The legislature increased the maximum weekly benefit from \$15 to \$18 and the minimum from \$6 to \$8 and reduced the waiting period from two weeks to one week.

Another change was the creation of a second injury fund to be provided by an assessment of \$100 against each employer of a covered employee who dies from injury in line of work. The assessments will be made until the state fund reaches \$50,000 and then will cease until payments of benefits for second injuries reduce the fund to \$30,000.

### Order Recalcitrant Officer to Produce Books in N. Y.

A warrant committing James F. Schlesinger, secretary of the Bendiner & Schlesinger X-Ray Laboratories, to jail and to remain there until he produces certain books wanted by the Moreland act commissioners in New York has been issued by the New York court of appeals.

The Moreland act commissioners in an investigation of the compensation law

of New York in 1943, found that Bendiner & Schlesinger split fees with certain physicians who referred x-ray cases to the laboratories. It was found that the records of these "kickbacks" was kept in black books. Schlesinger refused to produce these record books on the ground that they would tend to incriminate or degrade him.

The court of appeals said that the production of the books is a reasonable corporate requirement, and Schlesinger must either produce the books or give a reasonable explanation of his inability to do so, with the alternative of commitment.

### Name N. J. Advisory Committee

George E. Meredith, New Jersey Manufacturers Casualty, and John C. Paul, compensation attorney, have been named on advisory committee to assist Labor Commissioner Harper of New Jersey on questions of fees and procedure in workmen's compensation matters.

### Tuberculosis Award Ruled Out

MADISON, WIS.—Sustaining the Wisconsin industrial commission, Judge Reis in circuit court here denied the appeal of Daniel W. Hoan, Jr., Milwaukee, for compensation for pulmonary tuberculosis which he claimed was contracted as a result of working at the Ampco Metals plant in Milwaukee. The commission held that no evidence was presented to indicate that Hoan's illness came from such employment, and reversed one of its examiners who had ruled Hoan was entitled to compensation of \$2,359 and \$21 a week as long as he was disabled.

Liberty Mutual was the carrier.

### "Horse-Play" Award Upheld

SAN FRANCISCO—The California supreme court has just handed down a decision reversing one rendered in 1916 which held that persons injured while at work as a result of "horse-play" by fellow employees are not covered under the California act. The new decision upheld an award of compensation to a hotel bus girl who sustained a serious eye injury as the result of two bus boys throwing dinner rolls at each other. The case was Pacific Employers vs. Industrial Accident Commission.

The California commission has awarded the widow of Frank Priest, news photographer who was killed during the invasion of Leyte, the full death benefit of \$6,000 under California's compensation law. The commission based its award on the provision that persons employed in California to work outside the state or overseas come under the California law. Priest was employed by Acme News Pictures in California to cover the war in the Pacific theater.

## CHANGES

### Fitton with Globe Ind. at Chicago

Willis B. Fitton has joined Globe Indemnity in the Chicago office in an executive position.



W. B. Fitton

He will assist Vice-president K. O. Saunders in handling special risks, underwriting and other problems in the administration of the Chicago office of the company. Mr. Fitton has been in insurance since he was 12, when he went to work as an office boy in the Howes, Fahnestock & Bryant general agency at Peoria. He continued to do various types of agency work with that firm for several years while he was attending school and college. He then opened his own agency

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in Peoria and purchased several others. After seven years in the agency field he went with the Caterpillar Engine Co. at Peoria as insurance director. During his two years there he organized the insurance division. A year ago he joined Continental Casualty as executive representative in the Chicago branch office.

He is widely acquainted in Chicago and the Chicago area among company and production people. He has just returned from the head office of the Royal-Liverpool group where he conferred with executives. He has always been active in civic and business affairs and served one term as alderman at Peoria.

### Donohue to New Nat'l Surety Post; Schulman Fidelity Head

Joseph Donohue has been appointed manager of National Surety's greater New York department at 110 John street. He takes the place of William Twamley who is named manager of a new office that is being opened in the midtown section. Mr. Donohue has been manager of the fidelity department at the head office. In that position he is succeeded by George Schulman, formerly assistant manager.

### R. O. Bristol in Ohio Field for American Indemnity

Ralph O. Bristol has joined American Indemnity and American Fire of Texas as special agent with headquarters at Columbus, Ohio. He will assist State Agent Fred G. Colborne. From 1936 until 1942 Mr. Bristol traveled in Ohio for Retail Druggists Mutual Fire. Then he was connected with the War Department doing inspection work for 20 months and lately has been with the Loyalty group in West Virginia.

### McGlone with U. S. F. & G.

Robert J. McGlone has joined the Denver branch of U. S. F. & G. as district supervisor. He has traveled the Denver territory for a number of years. David Jacobs is manager of the office.

### Bauermeister Rejoins Royal

W. Jack Bauermeister has been named special agent in Los Angeles of Royal Indemnity. He formerly was with Royal for several years and recently has been vice-president of the Roger D. Williams general agency.

### Lee D. French Resigns

Lee D. French has resigned as secretary, treasurer and underwriting manager of General Transportation Casualty & Surety.

A. Russell Lund has resigned as special agent of United Pacific in Los Angeles to become a partner of Stanley King in the Torrance (Cal.) General Insurance Agency.

## ASSOCIATIONS

### Kansas City Association Plans for Fall Meetings

KANSAS CITY—While the Casualty & Surety Underwriters Association of Kansas City has discontinued its monthly luncheon meetings for the summer, plans already have been made for the fall season.

The public relations program will be resumed Sept. 7 with Frank A. Theis, president of the Kansas City Chamber of Commerce, as the speaker. Members of the Associated Industries will be guests at this meeting. The tentative program for October provides for an address by J. E. Baum, secretary insurance and protective committee of the American Bankers Association, New York. Invited to this meeting will be local finance

representatives, including bankers, building and loan and investment bankers.

The November meeting will be a joint meeting with the Advertising & Sales Executives Club. The association now has 241 regular and associate members, the largest number it has ever had.

### J. E. Murphy Heads Surety Claim Group of Chicago

J. E. Murphy of U. S. F. & G. has been elected chairman of the Surety Claim Managers Association of Chicago. He takes the place of Neil Reynolds of Century Indemnity and Standard Surety & Casualty. W. H. Karr, New Amsterdam Casualty, succeeds Walter Crow of Continental Casualty as secretary-treasurer. Members of the new advisory board will be selected by the chairman and secretary later. The next meeting will be in October.

The Casualty & Surety Claims Association of San Francisco held its annual golf tournament June 8.

## SURETY

### 3-Year Bond Plan and Small Risks

One of the troublesome questions arising out of the present surety situation is what to do with small bonds. The three-year term does not offer substantial enough saving in small premiums to make it worth while for insured to change over to it. However, one underwriter pointed out it would facilitate matters for the company if this could be done because he said it is much harder to collect a small premium of \$5 each year than it would be to collect one of \$12.50 which would cover the three year term. Policyholders are becoming three year premium conscious.

The companies are striving for a uniform rate on contract bonds and the majority of them are now writing the coverage on a 1% basis. Underwriters are not very optimistic about the private construction business in the future. They feel that not enough emphasis is put on this line by producers. Too much supervision is required to make the business profitable but in the opinion of one expert it would pay in the long run if the companies were to go after the business in a large way.

### Surety Claim Men Hear F. W. Lafrentz

NEW YORK—The necessity of living up to an obligation once it is assumed was stressed by Chairman F. W. Lafrentz of American Surety, who was a guest speaker at the final meeting of the Surety Company Claim Men's Forum. Mr. Lafrentz spoke briefly and impressively. "There is a solution for every problem if it is approached in the right way," he counseled.

J. Dewey Dorsett, general manager of Association of Casualty & Surety Executives, also addressed the meeting briefly. He said that a claims man to a large extent is the guardian of his company's good name. Speaking of public relations, Mr. Dorsett stated that in his opinion the lack of knowledge of the insurance business on the part of the public is partially responsible for the situation surrounding the business today.

A resume of the history of the forum since it began in 1941 was given by Secretary Joseph J. Soley. There are now 45 members, membership being limited to four representatives from each surety company. Papers are prepared and presented by the members as well as guest speakers. In this connection, H. W. Nichols, vice-president and general counsel of National Surety, suggested that those wishing to preserve their

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copies have them bound in book form.

Arthur C. Goerlich, educational director of Insurance Society of New York, called attention to the bill that was passed in the New York state legislature recently which will require independent adjusters to be licensed before operating within the state.

The next meeting will be Oct. 3.

### Query on Bond Form Review Authority in Michigan

LANSING, MICH. — Commissioner Forbes has asked the attorney-general for an interpretation of the 1945 Michigan insurance code revision act as to whether its provision for departmental review of all "basic" policy forms is intended to include fidelity and surety bonds.

If bond forms are included, the commissioner wishes a further clarification as to whether so-called special bonds, made to fit local ordinances or special circumstances, also are subject to review. The act specifically permits attachment of riders and endorsements without requiring that each be given departmental endorsement.

### Cal. Surety Bills Reviewed

LOS ANGELES—President W. C. Bening of the Surety Underwriters Association of Southern California has named Joseph E. Joseph of Ocean Accident and Manager Myron C. Higby of National Surety as members of the executive committee to fill vacancies.

Resignation of the Indemnity of North America from the association was received and accepted.

The status of three measures in the California legislature affecting surety bonds was reviewed.

The annual outing and golf tournament of the Surety Association of Michigan will be held at the Western Golf & Country Club near Detroit June 15, concluding with a dinner.

### Mutual Boiler Offers Repair and Replace Cover

Mutual Boiler which is closely associated with the Associated Factory Mutual Fire Companies, is now offering "repair and replacement" coverage. This follows the program introduced several months ago by the factory mutual companies in the fire insurance arena.

The premium for the Mutual Boiler repair and replacement coverage is 20% of the premium for all direct damage insurance on boilers and machinery offered under the policy to which the coverage applies.

The coverage is designed to reimburse the assured for the difference between the actual cash value of the property of the time of loss, with due allowance for depreciation, and the amount actually expended to repair, rebuild or replace the property new with materials of like size, kind and quality.

### Competitive Situation

While other boiler insurance men are much interested in the Mutual Boiler program there is no desire to follow its example even though repair and replace proves to be an effective competitive weapon. The boiler and machinery experts are fagged out from the rate and cover war in which they were engaged for so long, the loss ratios are high, the companies are losing money on the line and there is no disposition to pursue any new course at this time that threatens to increase loss costs.

A number of observers are convinced that the Mutual Boiler cover will invite selection against the insurer on the theory that it will not appeal to assured with new equipment on which the depreciation charge would be negligible in the event of an accident but that it will have allure to owners of old equipment. The critics theorize that the 20%

rate is not adequate for the risk involved in connection with old and highly depreciable property. For instance the ordinary premium for a piece of equipment 40 years old might be \$200. It might be subject to 80% depreciation and yet that 80% would be covered by an extra premium of only \$40.

The boiler insurers are not afraid of repair and replace cover from the moral hazard standpoint, which is the big bugaboo in considering such coverage in the fire insurance field. It is said that moral hazard is never encountered in the boiler and machinery line.

There has been little demand for this type of cover, the boiler people say, although occasionally an assured asks to have a predetermined depreciation clause inserted in the policy. Usually the insurer seeks to dissuade the assured, pointing out that such a clause might actually penalize the customer; for instance a piece of electrical equipment might be reconditioned and rendered more valuable and yet with a predetermined depreciation clause, depreciation would have to be charged on the basis of its old condition.

Very little serious difficulty, it is said, is encountered in adjusting the amount of depreciation. It is a matter often for arbitration, but settlement is usually effected to the satisfaction of the assured.

### BICO Closes Its Doors as Restrictions Are Lifted

The office of censorship has removed all the special restrictions on the transmission of marine information abroad. This will permit brokers, agents and companies to communicate with their foreign correspondents without any restraints except the censorship rules governing all international communications.

The lifting of the marine information restrictions means that information on ship identification, its cargo, time and place of loading, discharge or call can be transmitted practically without restraint except where information would involve security considerations, such as mentioning ship movements, etc., in the Pacific-Asiatic theater.

As a result of this relaxation BICO, the British Insurance Communications Office at New York, will June 18 discontinue acting as a transmitting agency between insurers in United States and United Kingdom. It is believed that the volume of insurance in the present war zone is so small that the handling of communications with respect to it would not warrant continuing BICO's operations. BICO will remain open, however, long enough to handle matters that are still pending on June 18.

Censorship regulations affecting the transmission of non-marine insurance information were lifted Jan. 1, 1945. Establishment of BICO results from the special censorship restrictions on insurance communications abroad which became effective March 1, 1943. Questions about censorship regulations should be addressed to the Service Division of the District Cable Censor, 67 Broad Street, New York 4, N. Y.

### Am. States Claims Changes

American States has appointed Thomas F. Stewart as claim manager at Cleveland. For the past seven years he

### POSITION WANTED

Experienced casualty and surety production man and underwriter, able to handle an agency or a branch—also fire experience. Desire change to Iowa territory, prefer eastern Iowa. Best references. Address Box B-91, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Claims Manager now employed desires connection with growing Company in Milwaukee territory. Fourteen years experience. Address B-93, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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has been in charge of the Youngstown claims office of Aetna Casualty.

At Cleveland Mr. Stewart replaces P. H. McKinley who has been transferred to the home office claims department as assistant manager.

#### E. D. McKim in New Post

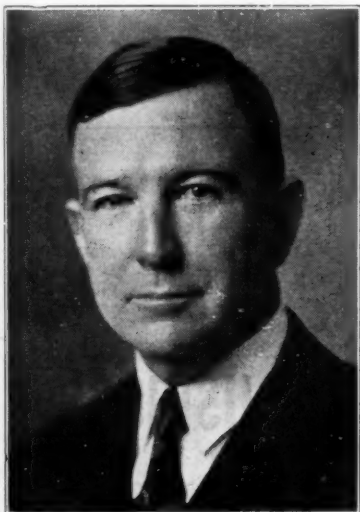
Edward D. McKim, on leave of absence as vice-president of Mutual Benefit Health & Accident, has been transferred from his position as chief administrative assistant to President Truman to the post of deputy to Federal Loan Administrator Snyder.

The daily newspapers linked the transfer to the controversy that developed when Mr. McKim sent a telegram to the Democratic candidate for congress in Montana, saying he was informed that a veterans hospital would be built in eastern Montana. The Republican opponent won and Rep. Halleck of Indiana in the House charged that the McKim telegram was an administration attempt to swing a Montana election by "cheap political trickery."

#### C. A. Bissett, Veteran Aetna Cas. Manager at K. C., Dies

Clyde A. Bissett, 67, manager of the Kansas City office of the Aetna Casualty for more than 30 years, died Tuesday at his home there. He had been ill for two weeks.

Born in Moberly, Mo., Mr. Bissett was educated at Springfield, Mo., high school and at the University of Missouri, from which he was graduated in 1899 with an L.L.B. degree. After practicing law for 3½ years, Mr. Bissett joined Aetna Casualty as a claims attorney in St. Louis in 1903. During the next 10



CLYDE A. BISSETT

years he served in a similar capacity for the company in Indianapolis, Louisville, New York City, Minneapolis, Chattanooga and Kansas City. He was named manager of the Kansas City office in March, 1913.

Throughout his long career, Mr. Bissett was active in the Insurance Federation of Missouri and served three terms as president of that organization. He was a quiet man with a rich sense of humor. He knew the casualty business thoroughly and was always alert to human and political values. He made an excellent record in quality and volume of business in the Kansas City office which he established in 1913.

He is survived by his wife, Kathryn; a son, James B., of Los Angeles, and a brother, Henry, of Springfield, Mo.

#### Aetna Veterans Group Affair

The Aetna 25-Year Club, composed of veterans of the Aetna Life affiliated companies in Chicago, will hold its first social affair June 18. Certificates will be presented. George Tramel, manager of Aetna Casualty, will preside.

## Chicago Group Moves to New Quarters at N. Y.

NEW YORK—Continental Casualty, Continental Assurance, National Casualty and Transportation are moving into new quarters at 76 William street here June 18 and will occupy the lower half of the 12 story building it recently purchased. The metropolitan department will occupy the first floor at 76 William street, and 2 Liberty street, and the eastern department the second floor of both buildings. Executives offices and the life department will occupy the fourth floor at 76 William and the metropolitan fidelity and surety department and the accounting department will be on the fifth floor. Claim departments are located on the third, fourth and fifth floors at 2 Liberty. The policy-writing department will occupy most of the sixth floor.

The metropolitan office specializing in disability, accident and health hospitalization will remain at 80 John street under the management of R. J. Keane and the eastern department of National Casualty continues at 45 John street where James J. Garrett handles the accident and health business for the entire eastern territory, reporting direct to the home office at Detroit.

President Roy Tuchbreiter has made a splendid forward move in the selection of property and modernization program which has been carried out. The underwriting and servicing operations have been streamlined to provide outstanding service to agents, brokers and assured.

Floyd N. Dull is vice-president of the group located in New York. Harlow G. Brown, resident vice-president, is also vice-president of Continental Assurance in charge of all eastern department operations. W. J. W. Merritt is manager of the business development department and G. Paul Barry is group

superintendent. The new telephone number will be Hanover 2-9750.

#### Tax on Proceeds Killed

The bill of Tax Commissioner Long which would tax the proceeds of life, annuity and accident insurance policies received by beneficiaries, has been killed in the Massachusetts house.

#### G. E. Williams Joins Nat'l Surety

LOS ANGELES—G. Earle Williams, for the past decade superintendent of

agencies of Aetna Casualty at Los Angeles, has resigned and will become assistant manager at Los Angeles for National Surety.

Mrs. Doris Mundt, Sioux Falls, S. D., vice-president of the National Association of Insurance Women and regional director, was in charge of sessions at a regional meeting of the association in Sioux City. The region is composed of Wisconsin, Minnesota, North Dakota, Nebraska and Iowa. Mrs. Mundt is with the Regan General Agency.

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#### Additional Casualty Experience Figures for Kan.

(CONTINUED FROM PAGE 24)

	Net Prems.	Losses Pd.
General Acci. ....	398	
General Cas. Wash. ....	—83	
General Reins. ....	211	
Globe Indem. ....	1,904	
Hartford St. B. ....	65,296	11,870
London Guar. ....	8,908	670
Lumbermen's Mut. Cas. ....	916	1,514
Maryland Cas. ....	6,328	41
Ocean Acci. ....	—854	402
Phoenix Ind. ....	2,412	
Royal Indem. ....	70	
Security Mut. Cas. ....	810	
Standard Acci. ....	11,707	925
Traveler's Indem. ....	124,459	28,599
Total, 1944 ....	145,128	48,372
Total, 1943 ....		
<b>CREDIT</b>		
Amer. Credit Ind. ....	17,476	—23
Employers Reins. ....	785	
European Gen. Re. ....	398	
General Reins. ....	945	
London Guar. & Acci. ....	3,832	—5
Total, 1944 ....	23,735	—28
Total, 1943 ....	24,146	—13
<b>LIVE STOCK</b>		
Alliance Mut. Cas. ....	816	334
Total, 1943 ....	2,770	610
<b>SPRINKLER LEAKAGE &amp; WATER DAMAGE</b>		
Aetna Cas. ....	1,323	1,922
Maryland Cas. ....	130	494
U. S. F. & G. ....	12	
Total, 1943 ....	748	442
Total, 1944 ....	1,466	2,416



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W. J. STITELER, PRESIDENT

★ 1935 TENTH ANNIVERSARY 1945 ★



## Tells Loss Control Incentives in War Rating Plan

(CONTINUED FROM PAGE 21)

means they have instinctively supplied expert fire preventive and inspection service to the contractor.

Col. Hill also remarked that the life companies have been confronted with unusual problems in dealing with the coverages of war contractors. "With their ready cooperation and assistance," he said, "it has been possible to maintain employee benefit programs of these contractors at fairly reasonable cost in spite of many conditions which have been aggravated as a result of wartime employment circumstances."

He closed with a word of appreciation

for the spirit of cooperation and helpfulness of the state insurance departments. Without such cooperation, much of the fine work which has been done with the War Department by the insurance industry would not have been possible.

The War Department rating plan was adapted with modifications to foreign cost-plus-a-fixed-fee contracts where it was necessary among other things to make special provision for the hazard of transportation overseas and the unusual hazards encountered at the job sites. Such adaptations included the development and use of the war and transportation losses endorsement, whereby certain transportation hazards and all war hazards causing injury or death of contractor's personnel were lifted from the contractor and his insurer. Subsequently these hazards were taken over by the government but prior to that enactment it was necessary to devise within the framework of the plan volun-

tary compensation and O. D. coverage for these foreign contracts. Also many problems were involved in the handling of service contracts, such as air transportation contracts from the U. S. to all parts of the world.

Col. Hill mentioned that the War Department in the early stages adapted the government policy of self-insurance or non-insurance to the government property in the hands of contractors for fabrication, modification, manufacturing or assembly, in addition to the government-owned plants which were being operated by contractors. This policy, he asserted, has brought estimated savings to the government of many hundreds of millions of dollars. In connection with one type of insurance alone that was eliminated on certain completed articles under test, it is estimated that the savings amounted to approximately \$500 million.

Thus far in connection with settlements filed with the War Department under the rating plan, a saving of about \$85 million under the standard premium costs has resulted. He predicted that the ultimate savings would be about \$150 million.

## Average Rates, Then Mileage Basis Held Likely After War

(CONTINUED FROM PAGE 21)

in stating mileage but inspections would show up the important discrepancies.

In general, producers like the idea of a single uniform rate for all passenger car risks in a given territory. It is simple to handle and eliminates arguments with buyers as to why they can't have a lower rate. It avoids correspondence with the home office on proper classification of risks and makes it unnecessary for the producer to tell a client that the inspection has shown up a misstatement and he'll have to pay a higher rate.

Rate differentials based on exposure, however, have proved popular with buyers in the past and it seems likely that they will be used after the war as a competitive weapon. Hence the home office leans to the use of differentials, but simplified and stripped of complications in so far as that is possible.

Underwriters are leery about getting out on a limb as to how postwar conditions may be expected to affect B. I. and P. D. underwriting. There are many questions that can't be answered yet and some are dependent on one another. What will be the effect of having so many of the cars on the road of 1942 and earlier vintage? Will owners know enough to coddle them or will they drive them as they would new cars? Will the beneficial effects of wartime speed limits cause the states to set limits more conservative than before the war? The 35-mile limit is flouted widely, but it still has a decided restraining influence on those who would like to drive 60 or 70.

## Effect of Car Designs

Will the postwar models—not the fixed-up 1942 designs—tend to promote safer driving or will their smoothness of operation and ample power tempt owners to drive at speeds that leave no margin for the unexpected? What about returned veterans? Will the freedom from military restraint and the habit of operating equipment under wartime urgency result in a speedy and dashing style of driving inconsistent with safety? Or will the experience with death and injury make these men more careful in risking their lives and those of others?

Another unknown factor is the extent to which financial responsibility laws will encourage the purchase of insurance by buyers who would otherwise go without. The New York motor vehicle commissioner recently estimated that 80% of automobiles in the state are now insured, as against 30% before enactment of the responsibility law. The presumption is that many of these added drivers are poorer risks than those who bought without the law's threat. But the picture is confused somewhat because many of these newly insured buy coverage not

only because they want to insure their right to keep on driving but because wartime prosperity has put so much money in their pockets that the premium payment is no hardship. How much of this new business stays on the books after business returns to normal and what will be the quality of it remain to be seen.

## Award Service Emblems

At a special gathering at Standard Accident's home office, nine new members were welcomed into the 10-Year Club, employees service organization, and 56 employees were presented with service emblems. C. C. Bowen, president, was introduced by W. L. Alexander, president of the 10-Year Club.

## Hotchkis Pacific Mut. Director

Preston Hotchkis has been elected a director of Pacific Mutual Life. He is executive vice-president, treasurer and a director of Pacific Indemnity and a director of many southern California business organizations. He has served as president of the California Chamber of Commerce and is now one of its directors.

## Minn. Auto Zones Changed

MINNEAPOLIS—There has been a regrouping of automobile assured in Minnesota. What was formerly Zone 4, comprising a dozen townships immediately adjacent to the Twin Cities, has been abolished and these townships put in Zone 5, the rural section of the state. This means a lower rate for assured in former Zone 4, and incidentally puts bureau companies in a better competitive position.

R. I. Catlin, vice-president of Aetna Casualty, and Mrs. Catlin were in Chicago last week enroute to South Bend, Ind., where their son, Robert, graduated from the Navy V-12 course at Notre Dame.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Challenge Dressel's Right to Change License Rules

COLUMBUS, O.—The right of the Ohio insurance superintendent to promulgate any rule that exceeds the standards concerning the licensing of insurance agents and solicitors as set forth in Sections 655 and 644-1 of the Ohio general code is challenged in a suit filed by Thomas J. Herbert, former attorney-general, who is representing automobile dealers, in the common pleas court here. The suit is an appeal from a ruling that licenses to write insurance shall not be issued to applicants who are connected with the automobile sales business, except for life insurance.

Another suit attacking the rule has been filed on behalf of Motors by J. Roth Crabbe, former superintendent of insurance. It is asserted that the decisions of the court on the issue may have far-reaching implications, as Mr. Herbert's petition questions the right of the superintendent to make any rulings as to qualifications. If Mr. Herbert's contention should be sustained by the courts all of the rulings of the superintendent of insurance would be jeopardized. The recent action by Superintendent Dressel in inserting "solicitors" or "agents" in the qualification rules and to lower to 18 years the age at which an honorably discharged soldier may be licensed were attacked by Mr. Herbert, who says that the superintendent has no authority in law, express or implied, to promulgate and enforce such a rule. He says it exceeds the standards set forth in the code, that it is discriminatory as it applies only to "new applicants" and that it is in violation of the Ohio and federal constitutions.

In the Motors suit it is contended that the rule is discriminatory as it forbids the licensing of "new applicants" who are connected with the automobile sales business but permits the relicensing of others in the business, that it prevents persons from pursuing a lawful occupation, that of insurance agent or solicitor, and that it violates the Ohio constitution and the 14th amendment of the U. S. constitution.

### Unlicensed Agent Fails to Send in Report Before Fire; Company Must Pay

LANSING, MICH.—A \$2,750 Washtenaw circuit court verdict against Liverpool & London & Globe was upheld by the Michigan supreme court in a case where an unlicensed agent did not mail the policy report and premium until after the fire. Charles Mundhenk who had bought a restaurant in Chelsea ordered a \$3,000 policy from Paul F. Niehaus, a local bank employee on June 10, 1942. No written binder was issued but Mundhenk was assured by Niehaus that he was covered. The morning after the fire on June 22, Mundhenk went to the bank and Niehaus gave him the policy, dated June 10. Mundhenk paid a \$35.10 premium and Niehaus gave him a receipt dated June 10. Niehaus notified the company of the fire and adjusters were sent to survey the premises, fixing the loss at \$2,750.30. Niehaus did not send in the policy report, however, until two days after the fire and a month later was billed for the premium which he remitted, the company cashing the premium check, but without knowledge, the defendant claimed, of the circumstances under which the policy was written.

The company's state agent appeared the following month, however, and took up Niehaus' supplies, closing out the agency.

The supreme court held that "defendant is estopped from disclaiming liability because of the irregularities of its own agent for whose actions the plaintiff was in no way to blame." An agent's lack of a state license, the court commented, "does not defeat the rights of policyholders."

Liverpool & London & Globe contended that since Niehaus represented two other companies, Mundhenk didn't know until after the fire with whom he was doing business. It was alleged that a conspiracy existed between Mundhenk and Niehaus to antedate the policy because of the latter's "carelessness." The court said testimony showed no conspiracy.

### Nienhauser Now Heads Neely Company of St. Paul

R. M. Neely Company of St. Paul announces the retirement on account of



R. B. NIENHAUSER

ill health of its president, William J. Buckley. Mr. Buckley, a native of Massachusetts, started his insurance career with Travelers in 1906. He served as branch manager at Duluth and Minneapolis. He joined the Neely Company in 1918 as president.

The present officers of the company, which is now in its 54th year, are: R. B. Nienhauser, president and treasurer; John H. Hanna, vice-president; Charles C. McClure, secretary; and Miss Alice A. Nippoldt, assistant secretary and assistant treasurer. The fire underwriting is supervised by Mrs. O. H. Orvold.

### Illinois Brokers and Agents License Examinations Are Soon to Be Held

Examination for agents and brokers licenses in Illinois will be held for three days in the Board of Trade building, Chicago, by the license division of the Illinois insurance department, starting June 26. A similar series was concluded early in May, and other examinations will be held at Chicago starting Aug. 21, Oct. 23, Dec. 18 and Jan. 18, 1946.

The Chicago examinations are supervised by Arthur G. Smith, deputy insurance director in charge of the Chicago branch office, assisted by Richard I. Bowen and Joseph S. Gerber, license examiners.

The examinations are held at many

places in the state, generally about every three months. The next examinations every place except in Chicago will begin in July, being: Alton July 10, Bloomington July 9, Carlinville July 9, Centralia July 18, Champaign July 18, Danville July 14, Decatur July 12, Dixon July 13, East St. Louis July 11, Elgin July 11, Flora July 17, Galesburg July 9, Havana July 18, Jacksonville July 17, Joliet July 10, Kankakee July 17, Kewanee July 12, La Salle July 14, Macomb July 19, Mattoon July 11, McLeansboro July 16, Moline July 10, Mt. Sterling July 20, Murphysboro July 13, Onarga July 16, Pana July 13, Paris July 9, Peoria July 13, Pittsfield July 16, Quincy July 21, Robinson July 10, Rockford July 12, Savanna July 11, Sparta July 12, Springfield July 9 and Vienna July 14.

### Differential in Fees

The fee for agents' license is \$2 and for brokers' license \$10, the differential being due to the fact that an agent is licensed for a particular company. Examination questions are taken out of an official manual of questions and answers prepared by the insurance department and distributed free to candidates. At present successful passing of examination entitles the applicant to a broker's license for all lines of insurance sold in Illinois, but under a bill filed in the legislature this provision would be changed so a broker would be required to pass an examination for each line of insurance which he desires to write, such as casualty, fire, marine, life, etc. The Chicago examinations all start at 9:30 a. m. and are resumed in the afternoon at 1:30; all the other examinations start at 10 a. m.

### Mich. Retaliatory Law Does Not Apply to Licenses of Non-Resident Agents

LANSING, MICH.—The Michigan insurance department, according to an attorney-general's ruling has no right to attach restrictions to non-resident agents licenses based on operation of Michigan's retaliatory law as that act is construed to apply only to companies.

The opinion was rendered on the basis of a request from H. B. Corell, deputy commissioner, relative to the situation pertaining to non-resident agents licenses issued to Ohio, applicants. The department had been attaching a restriction that such agents "shall not solicit insurance directly or indirectly in this state or by or through a representative in this state, and is only authorized to place insurance in this state which the licensee has directly procured from the assured outside of this state." The restriction is based on almost identical language of the Ohio law relative to licensing of non-residents.

### Wichita to Receive Fire Prevention Awards June 27

WICHITA—The grand award plaque for the 1944 Inter-Chamber Fire Waste Contest, won by Wichita, is being presented by D. Hodson Lewis, Dallas, manager of the southwestern division of the U. S. Chamber of Commerce, at a luncheon meeting in Wichita June 27. Civic leaders, city and fire department officials will attend as will the Wichita Association of Insurance Agents and the Junior Chamber of Commerce.

At the same time the grand award cup of the National Board will be received by John H. Burns, Jr., of the Harris, Burns & Co. agency, president of the Wichita Chamber of Commerce.

John H. Jones of the Equitable Life of New York, fire prevention committee chairman, will preside and past committee chairmen will be at the speakers table, including John Engstrom, Jr., of the Paul C. Yankey agency; Lt. Wil-

liam Piper of Dulane, Johnston & Priest, who returned to the agency June 1, honorably discharged following three years in the army air forces, and 77 missions over Europe as a bombardier on a B-26; Nestor Wiegand and Ewing B. Fergus, Kansas Inspection Bureau, Wichita, contact man for the National Fire Waste Council. The entire program will be broadcast over Station KANS.

### Minnesota Regionals' Activities

MINNEAPOLIS—Edgar Barton, assistant Minneapolis manager of U.S.F. & G., talked on casualty insurance possibilities on Main street at a meeting of the Central Minnesota Agents Regional Association at Little Falls June 12. Frank S. Preston, secretary-treasurer of the Minnesota Association of Insurance Agents, also spoke on association matters. A golf party at Montevideo June 19 will wind up the season's activities of that association. Field men have been invited.

On June 21 Mr. Barton will give the same talk to the Southwestern Regional at Worthington. Howard Williams, president of the state association, will report on activities of that group. On June 20, Joseph Brink of Thomas G. Linnell & Co., Minneapolis, will list marine insurance possibilities on Main street at a meeting of the Southern Regional at Faribault.

### Hicks to Mich. Ins. Agency

DETROIT—G. W. Hicks has been elected vice-president and director of the Michigan Insurance Agency. W. B. Cary is head of that agency. Mr. Hicks has been in the insurance brokerage field in Los Angeles, New York City and Detroit for 24 years.

He was with Johnson & Higgins in Detroit 1929-34, and with Marsh & McLennan as manager of the casualty and surety department 1934-41, in the latter year becoming vice-president of that firm. He obtained a leave of absence in 1941 to become assistant to H. J. Defoe of the Defoe Shipbuilding Co. at Bay City, assisting with administrative and finance affairs in connection with that company's shipbuilding program for the navy. For the duration he will remain in an advisory capacity while devoting his time to the agency here.

### Vote Lapeer Mutual Probe

LANSING, MICH.—The Michigan senate has authorized a special committee to investigate the tangled affairs of the defunct Lapeer Farmers Mutual Fire which has been in receivership for a decade.

Assessment suits have been in the courts at various times. A grand jury investigation was sought a year ago by Herbert J. Rushton, then attorney-general, and Judge Chester O'Hara of the Wayne circuit court took considerable testimony as a one-man grand jury but no report ever was filed regarding the findings.

The probe was voted after a delegation of former association members, led by LaVerne Ivory of Lapeer, requested action.

### Detroit Auto Finance Rally

DETROIT—The Detroit Association of Insurance Agents will hold a special meeting on June 28 to explain the local phases of the proposed campaign to cooperate with the banks in automobile insurance premium financing. It is designed as a follow-up for the Michigan association's conference on bank-insurance financing here June 15. R. W. Wolf, Raymond & Raymond, will preside, assisted by A. I. Dreifus, Woodward agency, chairman of the state association's automobile committee, and

Fred C. Esper, Rohde agency, chairman of the local automobile committee.

### La France Is Named President

ROYAL OAK, MICH.—Bruce La France has been elected president of the Southern Oakland County Association of Insurance Agents. H. H. Neumann is vice-president; Helen Burton, secretary-treasurer, and E. D. Skinner and Edwin W. Grow, retiring president, are trustees. All are from Royal Oak.

A successful traffic safety essay contest was staged by the association with the 27 schools participating.

### Give Playlet at Cincinnati

CINCINNATI—The broad form money and securities policy will be analyzed in a playlet presented by the Cincinnati Fire Underwriters Association June 14. The players will be H. O. Roth, D. A. Streit, W. P. Dolle & Co., and George Salzman, T. E. Wood. The meeting is the third in an educational series and will close the program for the summer.

### Ramsey Coffeyville Speaker

M. K. Ramsey, assistant manager of Fidelity & Deposit in Kansas City, addressed the Coffeyville (Kan.) insurers on "Surety Bonds," followed by a round table discussion. Other guests included E. C. Owen, Kansas City manager, and R. E. Gordon, special agent of Fidelity & Casualty.

### L. B. Menner Cleveland Speaker

L. B. Menner, inland marine manager of Millers National addressed the Cuyahoga County Board of Fire Underwriters Tuesday at Cleveland on "How to handle unusual risks created by present-day conditions."

### McClain Speaks at Marion

MARION, IND.—Harry E. McClain, Indianapolis, executive secretary of the Indiana Association of Insurance Agents and former Indiana commissioner, spoke before the Grant County Association of Insurance Agents.

### \$64,000 Lumber Yard Loss

The Lakeside Lumber Company establishment at Muskegon, Mich., was practically destroyed by fire. There was \$64,000 insurance, and the loss is estimated total.

Robert S. Brewer, vice-president of the Wheeler, Kelly, Hagney Co., Wichita, has been nominated for director of the Kansas Chamber of Commerce.

Heading the Abilene, Kan., committee for the homecoming celebration honoring Gen. Dwight D. Eisenhower June 21 is Sam R. Heller, local agent there.

William Matchette, manager of the insurance department of the Noble agency and vice-president of the Wichita Association of Insurance Agents before joining the coast guard more than two years ago, has returned to the agency following a medical discharge.

David Neiswanger, Topeka local agent, has been named treasurer of the United War Fund committee for Kansas, which is headed by Judge W. D. Jochems, chief counsel of Farmers & Bankers Life, Wichita. Harry H. Woodring, former Secretary of War and at one time a local agent at Neodesha, Kan., is chairman of the speakers' committee.

A bill has been introduced in the Ohio senate which would extend the time limit within which former service-

men may obtain renewal of licenses without examination.

The St. Louis court of Cat's Meow has tentatively scheduled its spring initiation for June 18.

Governor Donnelly of Missouri has offered the chairmanship of the St. Louis board of police commissioners to Thomas L. Farrington, vice-president of the Lawton-Byrne-Bruner agency. Mr. Farrington is not very keen about the position but will accept if the governor insists.

The Insurance Women of Cleveland are holding their final summer meeting Thursday evening. The new officers and committee chairmen were installed by Mrs. Idabelle Jones, president of Insurance Women of Akron.

Miss Edith Mawhinney, Lumbermen's Mutual agency, was reelected president; Mrs. Thelma Tomko is 1st vice-president; Miss Sue J. Mathews, 2nd vice-president; Mrs. Lucille Captain, recording secretary; Mrs. Ruth Carsten, corresponding secretary; Mrs. Christine Buchwald, treasurer.

W. G. Woleslagel, Hutchinson, Kan., local agent and commissioner of streets there, has purchased the American Finance Co. agency.

F. H. Ladd has opened a new agency in the Wabek building, Birmingham, Mich.

D. T. Eells, local agent at Cedar Falls, Ia., has purchased the W. S. Willard agency.

The agency of the late Robert O. Anderson at Concordia, Kan., has been purchased by John and Leslie Wilcox.

The Hutchinson (Kan.) Association of Insurance Women gave a turkey dinner for the bosses which was well attended. Vera Kellan of the Fonton agency presided in the absence of President Frances Hirth of the Brehm agency who was ill.

Richard A. Kenzel, Milwaukee manager of Phoenix of London, discussed what happens to the daily report when it goes to the home office, before the Insurance Women of Milwaukee.

The Insurance Women's Association of Kansas City will hold its monthly dinner meeting June 20. Fire insurance will be discussed in a three-part program. Miss Mary Quinlan, Pacific National Fire, will speak on "The National Board;" Miss May Leary, W. B. Johnson & Co., "The Fire Insurance Policy," and Mrs. Monica Wren, Garrett, Inc., "Policy Forms."

The Topeka Association of Insurance Women elected Eleanor Stolp of the Nellis agency, president; Marie Smith, Springfield, vice-president; Muriel Black, Commercial Union, secretary, and Edna Kuehne, Preferred Fire, treasurer. Clara MacCubbin, Baltimore, vice-president of the National association, made an official visitation.

## SOUTH

### To Start N. C. Rate Bureau Organization Work July 1

RALEIGH, N. C.—The establishment of fire rating bureaus in North Carolina which was authorized by the 1945 legislature will begin around July 1, according to Wofford Humphreys, assistant insurance commissioner. The law allows six months for organization purposes. There are no indications that changes in fire rates will be made before Jan. 1, 1946, he reported.

### Ark. School Insurance Ruling

LITTLE ROCK—Although school directors cannot legally write insurance on property of the school district in which they serve, such insurance is not voided even though the director is guilty of violating the law, Attorney General Williams has advised Lewis & Norwood, Little Rock agents. He says the insurer "could not be permitted to

defeat the liability upon a policy upon which it had been paid the premium and had made no effort to have the policy set aside or cancelled until after liability accrued, by pleading the wrongful act of the director."

## Texas Agents Hold Annual Parley

DALLAS—The annual meeting of the Texas Association of Insurance

Agents got under way here Wednesday evening when the board of directors went into session to wind up the affairs of the outgoing administration. The morning session Thursday will be executive, for members only, and the convention business will be transacted at that time. The afternoon session will be an open meeting to which company men have been invited. An explanation will be given of the new Texas rating laws by R. B. Cousins, Jr., of Austin and M. Stockton, assistant manager of the southern department of Hartford Fire, will give a talk on the bank-agent plan.

B. B. Greever, Wichita Falls, is the retiring president. Richard H. McLarry of Dallas is the vice-president, and it is expected that he will be advanced to the top position.

## C. N. Kent Opens General Agency in Dallas

C. N. Kent, formerly with Floyd West & Co., Dallas, is opening his own general agency, C. N. Kent & Co., in the



C. N. KENT

Southwestern Life building, Dallas.

Mr. Kent was with Floyd West & Co. for 17 years, and for 10 years had been manager of the casualty department. He is a native Texan, and is one of the best informed men in the southwest on casualty insurance. He spent several years in the field, as well as many years at his desk as department head and casualty and surety underwriter.

### Companies Represented

The new general agency represents Yorkshire Indemnity, Seaboard Surety, United Pacific and Northern of New York. For the present at least, a few agents now representing Seaboard through J. P. McGrayle, Dallas, will continue to be serviced by that office.

All lines of casualty, surety, automobile, and fire will be handled through

C. N. Kent & Co., and the supplies are already being forwarded to agents.

### Plan Birmingham "Ad" Campaign

BIRMINGHAM, ALA.—The Birmingham Association of Insurance Agents has projected an institutional advertising program which calls for use of space in the Birmingham daily papers every week for 52 weeks. The schedule was worked out by a committee composed of R. L. Gregory, chairman, Mark Myatt, W. C. Nelson and Charles L. Gandy. At the meeting of the association, a large number of members pledged to support the plan financially.

The committee working on local financing of automobiles by banks in cooperation with the local agents presented a report at the meeting, and it also was given unanimous support.

A report on legislation was given by M. R. McGruder, assistant secretary-treasurer.

### Shreveport Loss \$300,000

Loss is now estimated at about \$300,000 in the fire May 4 at the Brewster Company plant at Shreveport, La. The fire was started in a stack of bomb bands caused by molten metal from the use of a welder's torch. The estimated damage to building is about \$125,000. There was an estimated loss of \$25,000 to machinery, tools and equipment which was not covered by insurance. Stock damage was estimated to be about \$100,000 and damage to railroad box cars and contents on the premises is estimated at \$40,000. The criticism is made that the highly combustible stock in a risk of this type should have been segregated from the manufacturing portion of the plant or the portion used for storage should be tightly partitioned off from the remainder of the risk and protected with automatic extinguishing equipment.

### To Decide on Tenn. Meeting

NASHVILLE—One of the principal matters to be disposed of at a meeting of the executive committee of the Tennessee Association of Insurance Agents here June 22 will be the question of holding an annual meeting. Although the sentiment of those attending the last directors meeting was against holding the convention under the ODT restrictions, it is possible that a meeting will be held with out-of-town attendance limited.

C. M. Hunt will report on the mid-west conference with the Western Actuarial Bureau, and on contacts he made in New York, Boston and Philadelphia.

### NEWS BRIEFS

O. L. Brotherton, who has been with Fire Companies Adjustment Bureau in Chattanooga, has organized the adjusting firm of Brotherton, Copeland & Davis there.

The F. M. Coleman & Co. agency, San Antonio, will observe its 33d anniversary with a dinner for members and employees of the firm and distinguished insurance guests July 2.

R. B. Cousins, Jr., Texas Checking Office, installed the newly elected officers of the Insurance Women of Austin, Tex., at the annual banquet. Out-of-town guests included Mrs. Ruth Freddie, president of the Texas Federation of Insurance Women, Dallas; Mrs. Sally Nowlin, San Antonio, first vice president of the federation, and Walter Southgate of the Southgate & Co. general agency, Dallas.

Dixie Crawford, Blytheville, Ark., has been named manager of the Security Insurance Agency, Jonesboro, Ark., succeeding the late A. H. Abernathy.

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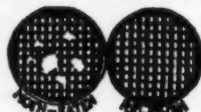
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## PACIFIC COAST AND MOUNTAIN

### Insurance Men Lecture on Golden Gate College Course

SAN FRANCISCO — The Golden Gate College school of insurance has started its summer semester, including 32 lectures covering all the principal fields of property and casualty insurance. The course has been approved by the insurance commissioner and for veteran training. The faculty consists of R. E. Cathcart, California-Commercial Union group; H. F. Gardner, Commercial Union; W. V. Hall, North America; W. R. Hay, Aetna Fire; G. E. Jansen, Hartford Accident; E. A. Kappenman, Hartford Accident; Charles Linford, Johnson & Higgins; John H. Martin, Standard Forms Bureau; E. H. McCaughan, Aetna Life companies; Harry Rowlands, Aero Insurance Underwriters; J. D. Simpson, Eagle Indemnity, and A. G. Ure, Hartford Accident.

The college plans to start special C.P. C.U. study groups in September.

### Bank-Agent Plans in L. A.

LOS ANGELES — Bank insurance agents financing plans for automobiles are receiving considerable attention in Los Angeles, with several of the leading banks and groups of the local agents holding discussions as to how the work shall be handled. Nothing concrete in the way of a formal arrangement has been worked out, but it is known that conferences have been held on the subject and that tentative suggestions have been put forward. It is expected that a meeting will be held shortly at which the proposed plan will be presented for study and further consideration.

### Field Men Win Spokane Tourney

SPOKANE, WASH.—The field men defeated the local agents in the traditional golf tournament. Marion Crumacker, United Pacific, had low gross score and E. M. Leonard of the Neviers & Leonard agency low net.

Fifty-six attended the evening's festivities, at which Charles P. Carroll presided. Lew Colby, Fireman's Fund, president of the fieldmen's association, was presented the J. Tom O'Brien trophy which goes to the winning team each year.

### New California Manual

An official manual, prepared by the California department in cooperation with organization representatives, is now ready for distribution at a cost of 77 cents per copy, including tax. It is designed to give applicants for agents or brokers licenses official information regarding the insurance code and coverage on which examination questions are based. Commissioner Garrison urges present license holders and company employees to study the booklet.

### Armstrong Agency Changes

Al J. Erdman has resigned as special agent of the Armstrong General Agency of Seattle to become a partner in the Harry R. Porter agency, Vancouver, Wash. Before entering insurance he was with the Seattle Association of Credit Men.

H. J. Kilpatrick, formerly an independent payroll auditor at Seattle, has moved to Kalispell, Mont., as special agent of the Armstrong General Agency for Montana.

### Wash. Surplus Line Meeting

The annual meeting of the Surplus Line Association of Washington will be held in Seattle June 28. C. W. Jamieson of D. K. MacDonald & Co. is chairman of the organization.

### Dahl Opens New Agency

John P. Dahl, who has been with the aviation, casualty and automobile de-

partment of Hansen & Rowland, Tacoma general agency, has opened a new local agency at 1411 Fourth Avenue building, Seattle. He had extensive company and agency experience at Omaha before entering the navy as an ensign in aviation. He reentered insurance on his release from the service.

### Roberts Leaves F.C.A.B.

Kenneth E. Roberts has resigned as superintendent of the automobile department of Fire Companies Adjustment Bureau in Seattle to become associated with Claude R. Scammon, independent adjuster. Before going with the bureau he was for more than three years adjuster in Seattle of Aetna Fire.

### Upholds Penalty Fee

LOS ANGELES — Attorney-general Kenny has upheld the right of Commissioner Garrison to impose a penalty of \$100 on an applicant for renewal of a non-resident broker's license in addition to the regular fee of \$100 because the full license fee was not received on time.

### O'Brien Reenters Insurance

J. J. O'Brien, former field man at Seattle and Spokane, has reentered insurance with the local agency of Chastek & Wheelock, Seattle. He started in the business 15 years ago with Jones & Mitchell at Spokane and subsequently was with Hansen & Rowland, Edward Brown & Sons and Swett & Crawford.

### McCants with Davis & Co.

Lloyd H. McCants has been appointed manager of the insurance department of John Davis & Co., Seattle. He has been manager of the insurance department of Continental, Inc. for two years. Before that he was for nine years with Prudential as a personal producer.

### Martin Los Angeles Manager

James W. Martin, agency superintendent in the Pacific department of Great American since 1941, has been appointed manager of the Los Angeles service office. He succeeds Robert J. Newell, who resigned to join the Earl Cady Co. local agency at Bakersfield, Cal.

### Cunningham to Home in Seattle

Robert Cunningham has left the Washington Insurance Examining Bureau to join Home in Seattle as an underwriter. He has been with the bureau since 1929.

### Mushet Independent Adjuster

D. Mushet, claims superintendent in Los Angeles of Pacific National Fire, has resigned and will be associated with C. J. Marburger, independent adjuster, as Marburger & Mushet.

E. A. Berry, investigator for the California department in the Los Angeles office, was married to Miss Jane Beam, Los Angeles broker.

The J. J. Skinner agency, Grants Pass, Ore., has been bought by Harold Johnson. Mr. Skinner died recently.

Earl Garrison, who before entering the merchant marine, operated a local agency at Redmond, Ore., has purchased the O. N. Jones agency, Wenatchee, Wash.

### Searching Tests Made

The National Fire Prevention Association shows that there is much interest in the hazard of flammable clothing. It is expected that a movement will be pushed designed to prohibit the sale of dangerous garments. The committee sponsored by the National Retail Dry Goods Association and the American Association of Textile Chemists and Colorists is making searching tests.

## EASTERN STATES ACTIVITIES

### Delaware Agents Hold Session

DOVER—At the meeting of the Delaware Association of Insurance Agents here last week, Oscar H. West, manager of the Washington office of the National association, presented an outline of what the N.A.I.A. is doing for the state associations and their members through the national public relations department. His subject was "Insurance Agents—and the Future."

The principal subject discussed at the gathering was the new bank and agent auto plan. The banks were represented at the meeting by six officials and signified their desire and intention to cooperate with agents on the general principle and ethics embodied in the National association plan.

A resolution was adopted pledging the state association's cooperation to the governor and the insurance commissioner and the new commission which the

governor will appoint to study the insurance laws, which will report at the 1947 session of the legislature.

A representative group of agents attended from all sections of the state. The annual meeting of the association will be held some time in September. President Earle S. Philips, Wilmington, presided at the Dover session.

### Evolving Bank-Agent Plan for District of Columbia

WASHINGTON—A bank-agent auto finance plan has been generally agreed upon here among insurance people and local banks.

The Insurance Managers Association approved the plan at a meeting last week, after report by a committee headed by Guy E. Mann, Aetna Casualty manager. Charles H. Joyner, of Harold Bros. & Campbell, chairman of a committee of the Insurers Association of the District of Columbia on the subject, has reported in favor of the plan. Albert

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Phillips, chairman of a Washington Insurance Club committee on the subject, indicates delay in action on it.

A statement of principles has been drafted for agreement by banks and agents. Some of the banks are reported to be enthusiastic about the plan. Others with agencies or with auto finance plans of their own, are not in favor of it. However, insurance people predict that many of the banks will eventually get in on the plan, although participation in the plan by one bank is all that is necessary.

Under the plan the agent will ar-

range for auto financing with a bank, which will issue a check to the auto dealer and take the car purchaser's note or notes in payment. The result, it is claimed, will be a reduced rate of interest to the buyer to about 8 to 9%, compared to 13 or 14% payable under the auto finance company plan.

The Adjusters Association of New Jersey will hold its annual outing June 16 at Union, N. J.

## MARINE

### Lift N. Y. Coastal Bars; Yacht Line May Benefit

NEW YORK—Coastal security restrictions have been relaxed considerably in the New York area for pleasure craft which may now operate day and night in the Atlantic Ocean and inland waters. There will be an increase in premium volume as a result of this action and the 10% increase in rates which yacht underwriters put into effect in this area following the hurricane of last September. However, there are no new boats being constructed and many of those now in existence are unseaworthy. This means that underwriters will have to be extraordinarily vigilant in accepting risks because many boats have been out of the water for a long time. A large percentage of the damage done to large and small craft during the storm last fall has never been repaired because of inability to get new parts or workmen.

Pleasure boats are still forbidden in certain areas such as the entrance to New York harbor, the Hudson river as far as 79th street and the East river as far north as Hell Gate. Navigation aids are being restored to peace-time status.

### Call Inland Marine Men Into Conference in Cal.

SAN FRANCISCO—Representatives of the inland marine business in California, called together to consider the formation of a committee to work with the insurance department to meet the increasing complexities in business, have been requested to get together in the near future to agree on the number of representatives each group should have on such a committee. The four groups interested are Inland Marine Underwriters Association members, non-members, reciprocals and mutuals. It is reported that the I.M.U.A. members requested more than one representative, C. C. Lloyd, chief assistant commissioner, presided. The meeting was called by Commissioner Garrison to bring about greater unity in meeting conditions which are becoming steadily more confusing.

### Broad Interpretation of Builder's Risk Policy

The seventh circuit court of appeals decided an interesting point under the builder's risk form in Franklin Fire vs. Hanney, et al. The district court held for the Hanney interests, and the higher court affirmed its judgment.

The insured purchased a builder's risk form in connection with the construction of a halibut boat at Tacoma. Certain materials stored in a locker in Seattle were destroyed by fire. The policy covered "all material belonging and destined for" the boat. The appeals court previously had held that the policy might be broadly interpreted as covering the stored material without doing violence to other descriptive matter in the policy. When the case was returned to the district court for retrial a judgment was rendered for the insureds.

The insurance company then contended that its motion for summary judgment should have been granted on the theory that the Hanney interests admitted that none of the material destroyed was to be used in the boat construction, and that the intent of the

policy was to insure only the hull and materials destined for its construction.

The higher court ruled that the construction contract itself was not a part of the policy but was of evidentiary value in interpreting the policy. The insurance was granted in terms so broad as to indemnify against loss of any material belonging to and destined for the boat, whether for her building or for her outfitting, the court held. On the construction contract the court held that it was under a duty to afford the parties opportunity to make a full disclosure of the facts and circumstances bearing on the questions of mutual intent. (5CCH Fire & Casualty 192 and 5CCH, 508).

### FBI Man Speaks

LOS ANGELES—The Marine Underwriters Association of Southern California heard Richard B. Hood, Federal Bureau of Investigation, talk. He discussed thefts, holdups and robbery and other losses on property moving in interstate commerce.

## MOTOR

### Collision Following Fire Is Held Covered Under Auto Comprehensive Form

California Insurance Co. has been held liable by the court of appeals of New York under an automobile comprehensive policy for collision damage caused when the driver became rattled when he discovered that there was a fire in the car somewhere under the dashboard.

Samuel J. Tonkin was the insured. While driving in a fast lane of traffic on Queens boulevard, New York, he noted that his car was smoking and burning under the dashboard. When he applied the brake and moved over to the curb a gust of smoke came up and he collided with another vehicle that was waiting at a traffic light. Tonkin's car was damaged by fire to the extent of \$38 and by collision \$477.

The municipal court gave judgment for the assured for the fire damage.

The court of appeals said the court should be guided by the reasonable expectation and purpose of the ordinary business man when making an ordinary business contract. The fair meaning and use of the word "comprehensive," according to the court, includes those damages which an ordinary individual would reasonably and naturally regard as incidental to and flowing from the hazard insured against. The language is definite enough to exclude loss when collision is the primary and exclusive cause, but fire was the factor causing the driver to lose control and was so closely associated with it in point of time and character as to constitute the proximate producing cause of the collision.

### Auto Claims Meeting

NEW YORK—The Automobile Claims Association will hold its June meeting Thursday of this week. No speaker is scheduled but there will be a round table discussion of a number of interesting automobile losses.

## CANADIAN

### Three Canadian Groups Elect

The Independent Fire Insurance Conference at its annual meeting at Montebello, Quebec, reelected these officers:

Past general chairman, ex-officio, W. F. Spry; general chairman, J. A. Blondeau; Quebec vice-chairman, J. Marchand; and executive committee, D. B. Goodman, J. G. Hutchinson, G. J. Malcolm, D. McIntosh, J. C. Stuart, O. W. Dettmers, J. P. A. Gagnon, T. A. St.

Germain, and secretary-treasurer, J. R. Wright.

Retiring Chairman Blondeau reviewed the efforts of the conference to cooperate in matters of common interest with other controlling bodies, but reported that results at present were not of a very positive character. Negotiations will continue and may ultimately lead to satisfactory liaison with other governing bodies, he said.

The conference reported that considerable progress had been made toward uniformity of contracts relating to the bulk of the risks written, and that arrangements for the supply of such forms of contract for the membership had been made.

A new classification of municipalities on the basis of protection has been completed for Ontario and Quebec, and measures are being taken to bring about, through the preparation of minimum tariffs and schedules, a greater degree of uniformity in rates in the light of experience.

The reports of all committees were adopted and the committees confirmed in what they had been doing and authorized to continue along the lines followed.

Provision is being made to inspect special and sprinklered risks in Ontario and Quebec, and to embark on a campaign of publicity of an educational character to the agency forces, and funds for this purpose were allocated.

The Independent Underwriters Bureau which includes nearly all independent companies transacting fire insurance business in Canada, at its annual meeting in Montebello elected these officers: Past president, ex-officio, Marchand, Corroon & Reynolds; president, O. W. Dettmers, Willis Faber & Co.; vice-president, J. P. A. Gagnon, Union of Paris; directors, J. Pigeon, Pigeon & Major; E. Crevier, Provident Assurance; F. E. Leyland, J. E. Clement, Inc., and manager, J. R. Wright.

A new automobile policy, which contains broader coverage, was a subject of discussion at the annual meeting of the Independent Automobile Insurance Conference. H. L. Kearns of Shaw & Begg, was reelected chairman; E. M. Hill, Dominion of Canada General, vice-president for Ontario; H. E. Whittick, Pilot, secretary; and J. C. Kennedy, Massie & Renwick, treasurer. Charles D. Matheson, Canadian General, was elected vice-chairman for Quebec, with Robert Parkin, Shaw & Begg, secretary-treasurer for that province. The executive committee members elected are W. F. Spry, E. M. Hill, J. C. Smith, W. Hobson, B. B. Hall, H. E. Wittick and Mr. Kearns. The executive committee for Quebec is comprised of C. D. Matheson, Robert Parkin, E. Crevier and J. P. Gagnon.

### Nova Scotia Board Elects

D. K. McDermaid has been elected president of the Board of Insurance Underwriters of Nova Scotia, succeeding A. Crease. Vice-president is G. V. Bishop of Jack & Co.

### Rejoins Royal-Liverpool

Capt. George M. Fielders has returned to Royal-Liverpool after serving 4½ years with the Canadian army and has been appointed chief inspector at Ottawa.

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## FIRE PROTECTION- VINTAGE OF 1578



Fire syringe constructed by Bos-  
son, French engineer, about  
1578. The cylinder was filled  
with water and then stopped  
with a plug. Hand operated  
turn-screw forced piston for-  
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a water pistol.

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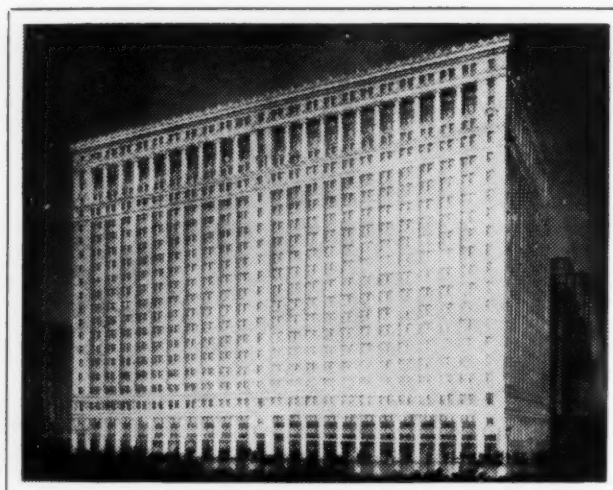
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From the Insurance Exchange Buildings, North and South, flows a continuous stream of Policies of many types, bringing back to the tenants of these buildings a volume of insurance premiums unequalled at any other location in America. This is the great central point about which insurance in the Middle West revolves.

Logically, therefore, progressive firms and individuals, in insurance and affiliated lines, find this not only an address of pres-

tige, but a profitable one, as well. A further valuable advantage is the time-saving which tenants enjoy through convenient personal contacts with other insurance people in this building.

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